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CHEMONICS INTERNATIONAL INC

ALBANIA PRIVATE FORESTRY DEVELOPMENT PROGRAM

MID-TERM EVALUATION REPORT

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ACRONYMS

| | |
|-------|---|
| ABC | AgriBusiness Center |
| AES | Agricultural Extension Service |
| AFADA | Albanian Fertilizer and Agro-Input Dealers Association |
| AFP | Albania Forestry Project (supported by the World Bank) |
| APFDP | Albania Private Forestry Development Program |
| AUT | Agricultural University of Tirana |
| CEE | Central and Eastern Europe |
| COP | Chief of party |
| DDFS | District Directorate Forest Service |
| DGFP | Directorate General of Forestry and Pastures |
| FAO | Food and Agriculture Organization |
| FPRI | Forest and Pasture Research Institute |
| GOA | Government of Albania |
| GTZ | Gesellschaft für Technische Zusammenarbeit (German international technical assistance agency) |
| HPI | Heifer Project International |
| IAA | Interagency agreement |
| IFDC | International Fertilizer Development Center |
| IR | Intermediate Result |
| LOE | Level of effort |
| MOAF | Ministry of Agriculture and Food |
| MOU | Memorandum of understanding |
| NGO | Nongovernmental organization |
| OAR/A | Office of the USAID Representative in Albania |
| PC/A | Peace Corps/Albania |
| PPNEA | Protection and Preservation of the Natural Environment of Albania |
| PRA | Participatory rural appraisal |
| PSC | Project Steering Committee |
| REC | Regional Environmental Center |
| SARA | Support for Agriculture Restructuring in Albania |
| SME | Small and Medium Enterprise |
| SO | Strategic Objective |
| SOW | Scope of work |
| SSLG | State Secretariat for Local Government |
| STTA | Short-term technical assistance |
| TR&D | Tropical Research and Development Inc |
| USAID | United States Agency for International Development |
| VOCA | Volunteers in Overseas Cooperative Assistance |

EXECUTIVE SUMMARY

In October and November 1997, Chemonics International Inc. fielded a team to conduct a mid-term evaluation of the Albania Private Forestry Development Program (APFDP). The purpose of the mid-term evaluation was to review and recommend adjustments to APFDP's objectives, scope, activities, implementation mechanisms, and budgetary allocations.

The goal of APFDP is to increase Albanian rural household incomes and alleviate and ultimately reverse forest environmental degradation by encouraging and supporting development of sustainable private sector forestry management on private and communal forests and pastures. The program is implemented within U.S. Agency for International Development's (USAID) results framework with five intermediate results: 1) improved utilization of private forest and pasture lands, 2) improved utilization of refused and non-divided agricultural lands, 3) increased decentralization and sustainable management of state forests and pastures, 4) increased public and private forestry extension capacity, and 5) increased number/expanded capacity of small-scale silvo-pastoral enterprises. The mid-term evaluation is organized to respond to these intermediate results and to address programmatic issues and general program management.

A Intermediate Results 1 and 2 Improved Utilization of Private Forest and Pasture Land and Refused and Non-divided Lands

A1 Policy

Through its policy activities in forest privatization and utilization of refused and non-divided lands, APFDP has gained the respect and confidence of central government officials, raised awareness of issues associated with these lands, and prompted discussion of possible solutions, including a national forest strategy. The program's Participatory Rural Appraisal (PRA) activities provided valuable local information regarding refused and non-divided land which stimulated the development and submission of legislation to decentralize management. Privatization activities resulted in a request to the Council of Ministers to extend the deadline for filing restitution applications.

Although the necessary laws and regulations are mostly in place, APFDP has not developed or demonstrated a methodology to privatize forest land and adjudicate refused and non-divided land. APFDP's greatest opportunity now is to work with individuals and government agencies to secure title transfers. APFDP should also assist the Government of Albania (GOA) to develop a rational leasing program for state forest land and a national forest strategy to determine future control of private forests.

Recommendations

- At this time, no new policy activities at the central government level dealing with forest privatization and distribution of refused and non-divided lands.
- Develop, with ex-owners and local government officials in the Lezha District, replicable methodology for restitution of private forest.

- Develop, with some komunas in the pilot districts, replicable methodology for local adjudication of refused and non-divided land
- Develop privatization and adjudication policy based on local experience in restitution and adjudication
- Continue work on the national forest strategy
- Continue work at the national level on long-term lease mechanisms for state forests

A2 Field Activities

APFDP has encouraged economically viable and ecologically sustainable land use practices through a combination of demonstration projects, extension and training methods, and technical and financial assistance

Forty-two demonstration plots have been established, which are generally of high quality, although several are in remote areas with low visibility. Consistently high-level training has been provided on a broad range of topics for diverse audiences. The project's extension bulletins and leaflets have taken good advantage of the high literacy rate in Albania, although using mass media to promote adoption of practices has been less successful.

APFDP's work with Peace Corps to promote viable and sustainable land use was beginning to generate farmer interest when the 1997 civil unrest forced Peace Corps to evacuate. Peace Corps may return to Albania in the next 18-24 months, creating an opportunity for APFDP to redevelop an active and mutually beneficial relationship.

Four sustainable animal production activity groups have been established by APFDP's Heifer Project International (HPI) livestock component. Two of the groups have operated successfully. The other two have had some problems, which they seem to be overcoming. As a result of their successes, the groups are beginning to ask APFDP for assistance in pasture and forage improvement and other farmers are expressing interest in establishing new groups. The success of HPI also provides the opportunity to link livestock groups to other APFDP field activities.

APFDP has successfully helped private nursery operators begin production. However, subsidies for the purchase of nursery stock, begun by Peace Corps, have induced nurseries to grow plants that they know they cannot afford to grow without subsidies. The project has also helped form an association, the Nursery Network, which is growing rapidly and expanding its geographic coverage. There is a high level of interest in producers' associations in Albania, and APFDP can use its experience with the Nursery Network to help form forest product associations.

Recommendations

- Work with Peace Corps to place volunteers in meaningful APFDP field positions
- Start four or five new HPI groups during program year 3
- Add an additional local livestock specialist to support expanded HPI activities

- Set up pasture utilization, management, and improvement demonstration sites to help HPI groups improve forage quantity and quality
- Continue to work with the Nursery Network and help establish other forest product associations (see recommendations in Section VI)
- Redirect its demonstration activities from providing subsidized planting stock to teaching farmers how to grow their own seedlings and use direct seedling and vegetative cutting materials
- Locate new demonstration plots close to roads where they will be frequently seen and install highly visible signs at demonstration plots
- Investigate more effective use of mass media to promote sustainable land use practices

B Intermediate Result 3 Increased Decentralization and Sustainable Management of State Forests and Pastures

B1 Policy

APFDP's activities to enhance the policy environment for transferring state forests have raised awareness among local and central government leaders about the land transfer process. To help decision-makers identify strategies for decentralization, APFDP compiled and distributed forestry laws and regulations, including the laws governing forest transfers to komunas. APFDP informally commented on drafts of the proposed "Public Property Administration" law, which would allow local governments to invest in and retain revenues from forest and pasture land. APFDP also commissioned studies on community forestry, including traditional management of community forests in Albania. Additionally, advanced training has been provided to some individuals in analysis skills to develop decentralization policies.

New land transfer regulations have resolved the primary policy obstacle to decentralization that existed at APFDP's inception. Although the regulations may not be perfect, transfers have been made under them and many more are in process. APFDP's greatest policy opportunity is to assist villages in securing transfers.

Recommendations

- At this time, do not initiate new policy activities at the central government level on decentralization of state forests
- Develop and implement a methodology for transfer
- Review the transfer process to identify future policy issues

B2 Field Activities

APFDP's field activities in sustainably managing transferred komuna forests and pastures have focused on the demonstration of successful land transfer in two Lezha District villages. APFDP developed a step-by-step procedure for implementing the transfer regulations that includes several community meetings. However, the process does not include establishing Village

Forests and Pastures Commissions (the official vehicle for power-sharing provided by the regulations) or another such body

In early 1997, APFDP met with leaders of the two villages and worked with a group of elders and local government representatives to delineate the boundaries of the proposed komuna forests. Due to the civil unrest, however, work in the villages was suspended from March through October 1997.

APFDP's greatest field opportunity now is to develop strong community ownership of the transfer process. This can be done by using community forestry approaches and creating a mechanism for the community to share decision-making power and implementation responsibilities with the DDFS, such as the village commissions. However, although Albania has many well-trained foresters, most of them do not have experience working for local communities. The community forestry approach requires forestry professionals to make a major shift in perspective from dealing with local people only as they affect forests to applying their skills and the resources of the forests to serve local people.

Recommendations

- Establish and implement a replicable community-based transfer methodology in two Lezha District villages
- Facilitate the formation of Village Forests and Pastures Commissions in these villages and use them as a focal point for the entire transfer process
- Analyze the effectiveness of the transfer methodology as it is implemented and make necessary revisions
- Host a seminar, in cooperation with AFP, to disseminate successful, replicable approaches to komuna leaders
- Develop and present training courses on community forestry, in cooperation with AFP
- Add a full-time expatriate community forester to undertake community forestry activities

C Intermediate Result 4 Increased Public and Private Forestry Extension Capacity

APFDP has actively promoted the need for public-sponsored forestry extension in Albania, especially with the DGFP, but has maintained a lower level of liaison and communication with other actors in this field: the Agricultural Extension Service, the Forest and Pasture Research Institute, the Agricultural University of Tirana, and the State Secretariat for Local Government. APFDP has had minimal results in laying the groundwork for a coherent and dynamic public extension organization because extension sponsorship has not been resolved.

Faced with no GOA sponsor for public forestry extension, APFDP adopted the innovative and unique solution of using intermittent extension agents who had regular employment and agreed to serve as field contact agents on an as-needed basis. Ten private intermittent agents and 16 public extension agents, all DDFS foresters in the program districts, have been trained and supported. APFDP has also worked with NGOs to provide extension services but, because of the

limited capacity of environmental NGOs, has only been able to initiate limited activities with one organization the PPNEA. The program is working with the REC to improve this situation.

APFDP recently began efforts to stimulate public support for forest protection and management. In November 1997, APFDP worked with several organizations to sponsor a conservation poster contest in Tirana involving 19 elementary schools.

Recommendations

- Take a balanced approach to liaison with all five potential institutional sponsors of public forestry extension
- Continue to use intermittent private and public extension agents
- Seek sustainable association, business, commercial, and industrial sponsorship of private extension
- Continue to work with REC to identify NGOs for potential collaboration and continue to work with PPNEA
- Continue to develop efforts to foster broad public support for the protection and management of forests
- Support a 1998 conservation poster contest for public schools

D Intermediate Result 5 Increased Number/Expanded Capacity of Small-scale Non-timber Forest Producers

One of the greatest opportunities for development in Albania is the small and medium enterprise (SME) sector, which needs very little capital investment and is potentially a significant source of rural income. APFDP recognized the importance of the SME sector—which is largely neglected by central and local authorities and financial and other institutions—early in the project and provided support to SMEs in non-timber forest products.

Given its limited resources, APFDP focused on researching and disseminating market information and improving small business management skills. Several studies and leaflets on markets, credit sources, and production inputs were completed and disseminated. Willow growers, producers of wicker, and an exporter of wicker were brought together, which created new business opportunities and increased the industry's growth and efficiency. An introductory nursery management course was conducted and a well-structured small business management course was designed and conducted twice, followed by a basic record-keeping and accounting program for nursery operators. Individual entrepreneurs whose private forestry-related activities were seen as significant opportunities for the project were also assisted on an *ad hoc* basis.

The major challenges for the SME sector are connecting producers with manufacturers and getting manufactured and processed goods to markets. These barriers can be addressed by market information and associations. APFDP is well-positioned to perform both tasks but will need additional SME skills, which generally are not available in Albania because of its lack of experience with free market enterprises.

Recommendations

- Expand work with forestry-related small businesses
- Refocus small business development activity on areas that have potentially maximum economic impact
- Revise the indicators for IR 5 in the third-year work plan to focus on maximizing APFDP's economic impact
- Continue association-building, including possible collaboration with IFDC/AFADA and Land O'Lakes
- Improve coordination with other donors to increase the leverage of USAID resources
- Assist viable small businesses that cannot be supported to contact other donor programs that may be able to help them
- Collaborate with other donors to help secure credit for non-timber forest product enterprises
- Add a full-time expatriate SME specialist to support increased small business activity

E Programmatic Issues

E1 Program Philosophy

If the evaluation recommendations are implemented, APFDP will become more field-driven and increase its focus on local level activities that produce income or transfer forest management to local communities

Recommendations

- Pursue a strategy of seeking opportunities to increase local forest management
- Work within existing policies to privatize forests, distribute refused and non-divided land, transfer state forests to komunas, and support income-producing activities

E2 Program Districts

Program staff and USAID agreed to begin working in three districts in year 1 and expand to the other three districts called for in the contract later. Although the civil unrest imposed limits activities that were implemented are now beginning to generate many new opportunities for APFDP to assist communities and individuals in managing forest resources. In the opinion of the evaluation team, the best uses of APFDP's resources at this time are to expand and improve activities in the original three districts and expand to a full program in Tirana District where the central office is located and field activities are likely to continue even civil unrest occurs again

Recommendation

- Continue to work in Lezha, Pogradec and Vlora districts and expand full activities in Tirana District

E3 Forest Policy Advisory Group

Developing a Forest Policy Advisory Group was identified as a principal activity in the program contract. However, it became obvious to APFDP in the first year that the GOA was not interested in forming such a group. The lack of a Forest Policy Advisory Group has not hindered APFDP policy activities.

Recommendation

- Discontinue efforts to form a Forest Policy Advisory Group

E4 Gender Issues

In Albania, women are often the most prominent gatherers of fuelwood and fodder, herders of animals, and collectors of herbs and other secondary forest products. Although APFDP has used a gender-sensitive approach since its inception, it is still encountering problems in gaining the full participation of women in its activities.

Recommendations

- Add an expatriate short-term consultant to collaborate with APFDP staff on a gender baseline survey in forestry, identify ways to more effectively draw women into APFDP field activities
- Provide training and extension activities that can reach women directly at the farm and village levels

F Program Management

F1 Results Framework

APFDP was one of the first USAID programs to use a results framework in program design and management. The results framework has gone through two iterations, with the current framework retaining the original contract deliverables and focusing program activities to better meet the program goal. Program management and reporting has been greatly improved in the current framework, although some overlap still exists, particularly between IRs 1 and 2.

Recommendation

- Simplify the results framework by combining IRs 1 and 2

F1 Relationships with GOA

APFDP has no memorandum of understanding (MOU) with the Albanian government concerning program implementation. However, the absence of an MOU has not hindered the

program's ability to work with the government and may actually have improved program performance by not tying it to one ministry or department. The Project Steering Committee, the official connection to the GOA, comprises representatives from MOAF's Agriculture Directorate DGFP, SSLG, and the Ministry of Foreign Cooperation. This diverse composition provides APFDP with the flexibility to maintain direct contact with upper-level government managers in various government entities. As the program becomes more involved in extension, SME development and support, and decentralization of public forest management, this flexibility will be needed to work with several central and local government entities.

Recommendation

- Do not develop an MOU or alter the role of the Project Steering Committee

F2 Two-Year Extension

Much of APFDP's work, such as the HPI activities, the Nursery Network, and the newly formed group of wicker producers and manufacturers, has laid the groundwork for major results in the future. Other activities, such as the transfer of state forests to komuna management and direct assistance in the restitution of private forest land, are just beginning. APFDP should be allowed to strengthen and build on what it has accomplished.

Recommendation

- Extend APFDP for the optional two-year period

F3 Staffing

The evaluation team realizes that many of its recommendations for future program activities will require new or different skills, which will affect staff composition.

Recommendations for Long-term Expatriate Staff

- Chief of party
- Small and medium enterprise specialist
- Community forestry/natural resource management specialist

Recommendations for Long-term Local Staff

- Two foresters
- Two livestock specialists
- Extension/training coordinator
- Small and medium enterprise specialist
- Executive assistant/interpreter
- Office manager

Recommendations for Short-term Technical Assistance

- More aggressive use of STTA

SECTION I

INTRODUCTION

In October and November 1997, Chemonics International Inc fielded a four-member team to conduct a mid-term evaluation of the Albania Private Forestry Development Program (APFDP). The team comprised a forestry policy specialist (who also served as the team leader), a forestry extension specialist, a small business development specialist, and an Albanian forester who worked part-time on the evaluation. The team conducted field work in Albania from October 28 through November 23, 1997. This evaluation report presents the findings, conclusions, and recommendations of the evaluation.

A Purpose of the Evaluation

The purpose of the mid-term evaluation is to review and recommend adjustments to APFDP's objectives, scope, activities, implementation mechanisms, and budgetary allocations. To achieve this purpose, the evaluation team reviewed program assumptions, implementation history, management mechanisms, technical issues, and relationships with various program participants and stakeholders. Lists of the persons interviewed, documents reviewed, and field trips taken by the evaluation team are presented in Annexes A, B, and C of this report.

Throughout its time in Albania, the evaluation team worked closely with APFDP staff to jointly review and evaluate the program's progress. The results of the evaluation are expected to be used by APFDP and the United States Agency for International Development (USAID) to prepare the third-year work plan and identify activities that might be undertaken during the optional two-year extension of the program.

B Description of APFDP

APFDP is a program of USAID and a subcomponent of the Improved Public Sector Environmental Services Project (180-0039 11), whose purpose is to improve environmental quality in Central and Eastern Europe (CEE) and strengthen CEE governments' capacity to provide public sector environmental services.

The goal of APFDP is to increase Albanian rural household incomes and alleviate and ultimately reverse forest environmental degradation by encouraging and supporting development of sustainable private sector forestry management on privately owned lands and on communal forests and pastures. To meet this goal, APFDP has the following specific objectives (as specified in the program contract):

- Develop policies and legal instruments that will foster sustainable, market-based forestry on private agricultural lands and sustainable forests on communal lands and assist national, regional, and local authorities to implement them effectively.
- Develop and implement a replicable forest management approach, involving both the public and private sectors, that will lead to 1) enhanced and sustained productivity of forests, pasture lands, and marginal lands of selected communities in at least 6 of Albania's 36 forest administrative districts, and 2) the creation of a network of private farm production centers (nurseries, woodlots, etc.) and forest-product processing and marketing enterprises beyond those funded by APFDP.

- Develop and implement, in cooperation with the Government of Albania (GOA), Albanian nongovernmental organizations (NGOs), Peace Corps, and the World Bank, an effective public/private extension network that will serve as a support system for managers of private forest lands, village and community forests, and grazing lands

To support these objectives, APFDP initially funded an interagency agreement between USAID and Peace Corps/Albania and an institutional contract for program assistance with Chemonics International Inc. Chemonics, in partnership with Tropical Research and Development (TR&D) and Heifer Project International (HPI), is responsible for 1) strengthening national and regional forest policies and institutions through technical assistance and training, 2) supporting village and private sector forestry in selected areas, 3) developing special demonstration sites in the Tirana area for public information dissemination and technology demonstration, and 4) providing selected equipment and commodities to support program objectives. Chemonics manages the program from an office in Tirana, with field programs in three Albanian districts—Pogradec, Lezha, and Vlora—and some field activities in Tirana and Fieri districts.

Chemonics signed a contract with USAID in September 1995 and, after mobilizing program staff, submitted the first-year work plan in January 1996 (which was approved by USAID in March 1996). In March 1997, civil unrest in Albania reached the point at which expatriate program staff had to be evacuated and Peace Corps closed down its program. The chief of party returned in June 1997, but the other expatriate staff did not return until September 1997. Peace Corps does not plan to resume operations until 1999.

During the absence of the expatriate staff, the Albanian staff did a highly commendable job of continuing program activities in Tirana, but they were not able to travel to the field. Travel to Pogradec and Lezha only became possible in late October 1997. At the time of the mid-term evaluation, program staff were still unable to travel to Vlora due to civil unrest.

C Results Framework

During the start-up of activities in 1995, USAID asked Chemonics to transform the project-based structure of APFDP into a development hypothesis and results framework. APFDP was one of the first USAID programs to be redesigned using this new approach. The results framework, used in the first-year work plan, provided a new structure for APFDP but did not change the original deliverables.

In the first year of implementation, USAID, Chemonics, and the GOA identified modifications that were needed to the framework, which had some overlapping intermediate results (IR) activities and proved cumbersome for program management and reporting. The new, streamlined framework that was developed by APFDP (see Table I-1 on the next page) reflects development partner input and actual experience gained to date but retains the development hypothesis, intent, and deliverables of the original framework.

The initial and current results frameworks were developed by APFDP staff in consultation with USAID and program stakeholders. The draft frameworks were presented to stakeholders and discussed at two strategic planning workshops, in December 1995 and November 1996. In addition to APFDP staff and USAID representatives, the workshops were attended by representatives from the Ministry of Agriculture and Food (MOAF), Directorate General of Forestry and Pastures (DGFP), State Secretariat for Local Government (SSLG), Ministry for Economic and Development Cooperation, Forest and Pasture Research Institute (FPRI),

Agricultural University of Tirana (AUT), Albanian NGOs, Peace Corps, other USAID projects in Albania, and other donor-supported forestry projects in Albania

APFDP's results framework falls under Strategic Objective (SO) 1.3 for the Office of the USAID Representative in Albania (OAR/A), "Accelerated Development and Growth of Private Businesses." The program is reported under three Intermediate Results (IR) for SO 1.3:

IR 1.3.1.1 – Policy, legal, regulatory framework in place which supports private sector development

IR 1.3.2.1 – Business and technical skills increased and used

IR 1.3.2.3 – Improved technologies adopted by individuals

It is probable that USAID's presence in Albania will be required for a longer period than in other CEE countries and that APFDP will eventually operate in a "sustainable development" program environment. If this occurs, OAR/A may develop an environment and natural resources management SO under which some APFDP results are tracked and reported.

Table 1.1
Results Framework for APFDP

| Table 1.1 Results Framework for APFDP | | |
|--|--|--|
| Result | Increased private and decentralized management of Albanian forest and pasture resources | |
| IR 1 | Improved utilization of private forest and pasture lands | |
| IR 1.1 | Reformed policies supportive of forestry/pasture initiatives on private lands | |
| IR 1.2 | Economically viable and ecologically sustainable land use practices adopted by individuals | |
| IR 2 | Improved utilization of refused and non divided agricultural lands | |
| IR 2.1 | Policies reformed to facilitate effective distribution and administration of refused and non divided agricultural lands | |
| IR 2.2 | Economically viable and ecologically sustainable land use practices for refused and non divided agricultural lands adopted by individuals and groups | |
| IR 3 | Increased decentralization and sustainable management of state forests and pastures | |
| IR 3.1 | Enhanced policy environment for transferring state forests | |
| IR 3.2 | Groundwork laid for sustainable management of transferred komuna forests and pastures | |
| IR 4 | Increased public and private forestry extension capacity | |
| IR 4.1 | Groundwork laid for the establishment of a coherent and dynamic public extension organization | |
| IR 4.2 | Increased capacity of public organizations, NGOs, and private suppliers to provide extension services | |
| IR 5 | Increased number/expanded capacity of small scale silvo pastoral enterprises | |
| IR 5.1 | Improved access to market information, affordable inputs, and credit | |
| IR 5.2 | Improved business management skills | |

D Organization of the Evaluation Report

The mid-term evaluation report is organized to respond to the program results framework and the scope of work for the evaluation (Annex D) Chapters II through VI present the findings conclusions, and recommendations of the evaluation team regarding IRs 1 through 5 Chapter VII presents the findings conclusions, and recommendations for cross-cutting programmatic issues Chapter VIII presents the findings, conclusions, and recommendations regarding program management issues

SECTION II

IMPROVED UTILIZATION OF PRIVATE FOREST AND PASTURE LANDS

Improved utilization of private forest and pasture lands is a primary focus of APFDP. Tasks 4.2 and 4.3 in the program contract require APFDP to develop management plans for and demonstration sites on private forests and pastures. The first-year results framework met these requirements through IR A.2 (privatization policies) and B.3 (sustainable use by private owners). The current results framework has consolidated policy and field activities to improve utilization of private forest and pasture lands into IR 1.

A Present Situation

Private forests have not traditionally been a major component of forest management in Albania. In 1934 there were 1,129,450 hectares of forest area in Albania, of which only 63,000 hectares were private property (5 percent of the total forest area). The other forested areas were officially owned by the state, although a significant area was actually managed by villagers. During the communist period, all private forests were nationalized.

With the fall of communism, the state began the process of private land restitution. The 1992 forest law, "For Forests and the Forestry Police" (No. 7623), provides for the existence of private forests (Article 4), requires that private forests be harvested in a manner to protect soil and climatic elements (Article 23), and provides that all forests (private, komuna¹, and state) be well-managed and protected from fires and other damaging agents. But the law does not identify how private forests will be established. In 1993, the Council of Ministers established district-level Commissions for the Restitution of Property to Ex-Owners. The commissions, however, did not begin to receive applications for restitution of forests and pastures until 1996, after passage of laws and regulations defining restitution procedures².

Current laws allow restitution of forests, pastures, and meadows to pre-1945 owners. All previously owned pastures and meadowlands are available for restitution. Restitution of forest land is limited to a total of 100 hectares per owner. Forest areas that are now in designated tourist zones cannot be restituted, but the ex-owners can be compensated for up to 100 hectares.

Slow implementation of the law has allowed the deadline—March 7, 1997—to pass with few claims filed. By the end of February 1997, 258 ex-owners had filed claims on 17,449 hectares of land (6,620 hectares of forests, 9,347 hectares of pasture, and 1,469 hectares of meadow). The most recent data reveal that the commissions have issued private titles for only 1,351 hectares of forest, 2,764 hectares of pasture, and 12 hectares of meadow. Complex and fragmented laws, which may require an ex-owner to understand up to six laws and decrees, and lack of documentation of pre-1945 ownership are proving to be serious barriers to restitution. Moreover, the 100 hectare-limit makes it likely that far less than the 63,000 hectares previously privately owned will be returned to private ownership.

¹ A komuna is a subunit of a district comprising several villages.

² The principal law for restitution of pastures and meadows is Law No. 7917 of 1995. Law No. 8084 passed in 1996 laid the groundwork for restitution of private forests, although several of the key provisions were promulgated in subsequent decrees.

In the absence of formal restitution some ex-owners have seized their traditional forest lands and have fenced and otherwise protected them. Some of these owners are unaware of the restitution laws and procedures. Others know about the laws but do not want to deal with the restitution procedures or fear taxation if they gain formal title.

Because of the long period during which there was no private forest land, many ex-owners lack experience with private land management. They will need information, training, and technical assistance to properly manage their forestland.

B APFDP's Strategy and Role

By the end of the program's first year it had become apparent that forest privatization would be more limited and take a much longer time than initially anticipated. APFDP continued its focus on reforming policies to stimulate restitution of private forest land and expanded its field activities to encourage economically sustainable use of forests, including livestock production, tree crops (willows), agroforestry, windbreaks, and boundary planting.

B1 Reformed Policies Supportive of Forestry/Pasture Initiatives on Private Lands

Policy reform has focused on restitution of private forests but has also included developing a national forestry strategy and leasing state forest land.

Laws and regulations In the first year, APFDP compiled forestry laws and regulations, including those that addressed forest privatization. The compilation was initially undertaken to inform APFDP staff about existing regulatory structure. During the process, however, the project learned that many individuals charged with implementing forest law did not have copies of the relevant laws and regulations. APFDP produced and distributed 50 copies of the compilation to central government central, District Directorate Forest Service (DDFS), and some districts. APFDP also prepared and distributed a pamphlet on forest privatization.

Surveys In December 1996, APFDP assisted in forming a working group to identify the next steps for restitution. Although the group was not fully operational, APFDP representatives and other members conducted a survey of private forest restitution issues in the Meriedita District in January 1997. The survey identified existing documents for use in restitution, the degree of comprehension by officials and ex-owners, and the status of existing claims. In May 1997, APFDP local staff, with two members of the previous team plus two new members, conducted a similar survey in the Durres District. (The civil unrest prevented the project from conducting planned Participatory rural appraisal [PRA] surveys on restitution in 1997.)

APFDP sponsored a workshop in June 1997 to present the results of these surveys and discuss mechanisms for facilitating privatization. Workshop participants included MOAF and SSLG officials, district specialists dealing with restitution, NGO representatives, and representatives from Ishmı komuna in the Durres District. After the workshop, APFDP prepared a paper, *Considerations of Forest and Pasture Restitution to Ex-Owners in Albania*, which summarizes many issues in private forest restitution. The paper was widely distributed inside and outside of the government.

Filing claims Recent APFDP restitution efforts have been concentrated in Lezha, where seven ex-owners have filed claims. APFDP plans to help the ex-owners find documents and

prepare claims to present to the commission and, once claims are settled, prepare management plans

Policy development In addition to its direct involvement with forest privatization, APFDP has been involved in developing a national forest policy and, to a limited extent forest land leasing policy APFDP is preparing a policy study tour to the United States to expose high-level decision-makers to the development of a forest strategy In December 1997, APFDP will facilitate a national workshop, funded by AFP, to begin the process of developing a national forestry policy APFDP has also consulted with the GOA on legislation regarding leasing state forest land

APFDP's activities in forest privatization policy have raised awareness about the issue and stimulated discussion of possible solutions The two surveys conducted with the support of APFDP have provided central government officials with local information on the status of forest restitution The June 1997 workshop resulted in an MOAF request to the Council of Ministers to extend the deadline for restitution applications

B2 Economically Viable and Ecologically Sustainable Land Use Practices Adopted by Individuals³

Peace Corps involvement APFDP's initial strategy to promote viable and ecologically sustainable land use practices called for Peace Corps to take the lead on farmer-to-farmer extension contacts, with APFDP providing backstop technical assistance and marketing advice Farmer interest in multipurpose trees, especially in areas not adjacent to forest lands, was developing when the civil unrest broke out in the spring of 1997 and Peace Corps was evacuated Although a good concept in theory, the partnership with Peace Corps was limited from the outset by 1) Peace Corps/Albania's operational priorities, 2) scarcity of Peace Corps foresters (only two or three in the initial wave), 3) divergent goals and focus, and 4) volunteers' general lack of field experience

Initial Peace Corps and APFDP staffs were in the field at about the same time (late summer to early fall of 1995), giving Peace Corps only about 18 months of involvement for its first group of volunteers and 5 months for its second group (fielded in the fall of 1996) before its evacuation Although the second group of volunteers included more foresters, many were posted to areas outside the APFDP districts and had limited interaction with the program A fair or comprehensive evaluation of the impact of Peace Corps is not possible given the unusual circumstances of its involvement and the limited scope of this report However, the evaluation team noted that some Peace Corps farmer and nursery contacts were expanded by APFDP and Peace Corps established a small forest seedling nursery at the Tirana Botanical Garden to train volunteers

NGO links Recently, APFDP entered into a subcontract with Protection and Preservation of Natural Environment in Albania (PPNEA), a local NGO to develop a small agroforestry demonstration plot near its old nursery site Work has been temporarily suspended while an improved design concept is worked out with inputs from PPNEA, Tirana Botanical Garden

³ The field activities for the adoption of viable and ecologically sustainable land use practices on private land are the same as those for refused and non divided lands The presentation in this section, therefore covers field activities for all types of ownership

FPRI, and DGFP APFDP also has completed plans for converting the old training nursery site to a pilot nursery for containerized plants

Facilities APFDP completed remodeling a building at the Botanical Garden and is regularly using it as a meeting place for extension workshops and training activities. The next step in remodeling the building will be equipping the smaller room as a reference library where extension pamphlets and bulletins can be displayed and distributed

Livestock component The APFDP livestock component is directed by Heifer Project International (HPI), which has a world-tested model of livestock breed improvement for use in poor rural areas. HPI's initial efforts focused on group organization and training, an important first step. Four sustainable animal production activity groups were established in the first year—one each in Vlora and Pogradec districts and two in Lezha District. Unfortunately, the planned introduction of sheep to the group in Dhukat (Vlora District) was postponed due to an unexpected outbreak of hoof and mouth disease, and a pig club in Trashan (Lezha District) nearly collapsed when about 75 percent of its members slaughtered their improved breed sows during the civil unrest in Spring 1997. Neither setback has caused undue distress. The pig group in Trashan has resolved its problem through restructuring the requirements for "passing on the gift" and appears to have resolved to succeed.

HPI programs typically start quickly if the groups are properly selected and organized. The period of gestation and reproduction of the livestock slows down group activities for one to two years (depending upon species), followed by another wave of rapid expansion. APFDP is handling this process well and taking the necessary steps to point every effort toward self-sustainability.

As the three functioning HPI groups have now matured to the point of "passing on the gift," they are beginning to request APFDP's assistance in pasture and forage improvement, including the use of tree fodders, tree planting, and pastures on cut-over forest lands. These requests are a good yardstick to measure the success of the HPI component in increasing farmers' income and financial stability.

The planned expansion of HPI from three groups in year 1 to six groups in year 2 did not take place because of the civil unrest as well as an outbreak of hoof and mouth disease in Vlora District. The two groups in Vlora will be able to make a quick start as soon as the disease abates and travel restrictions are lifted. Farmers from other areas are eager to start the HPI program. Expansion will strengthen APFDP's linkages to new groups and increase the working base for introducing improved, sustainable grazing practices.

The livestock specialist has developed and maintained a close liaison with the MOAF Livestock Research Institute and the small ruminant research station in Korçe. Specific training for the HPI groups is supported by extension information materials written and adapted by APFDP staff. The farmers visited by the evaluation team are enthusiastic about their involvement in the HPI breed improvement program.

HPI livestock extension activities have been generally successful in the APFDP districts. HPI's long record of experience, adaptability to local conditions, and flexibility to meet local needs have been important to the APFDP experience. Although HPI linkage to forestry is sometimes enigmatic, the trust and confidence of the villagers in all the HPI groups have opened

new opportunities in pasture improvement and on-farm tree planting APFDP is ready to build on these successful contacts wherever they are found

Private nurseries APFDP has successfully helped private nursery operators begin production Initially seen as a needed private source of seedlings for reforestation and agroforestry activities, these nurseries quickly learned that this material produced marginal profits At the same time, they discovered a significant demand for grafted fruit and nut trees, ornamentals, and landscape plants with much higher financial return

APFDP imported high-quality apple root-stock and provided it to several of the more skilled nurserymen with the proviso that they grow more of this material for other nurseries One of the nursery operators was trained as a private extension agent and worked with APFDP to consolidate and extend the group of nurseries involved with the program Supported by special APFDP training programs, the group is now known as the Nursery Network and is expected to become a registered association within a few months

Subsidies The practice of subsidizing the price of nursery stock was begun by Peace Corps and adopted by APFDP At first look, subsidies appear to be an important way to promote tree-planting However, subsidies are a direct social cost for a direct private benefit and distort the privatization process Scarce resources are distributed to people who may lack the motivation to allocate their own resources to the new risk and/or may not have enough at stake to follow through to production On the supply side of the equation, there are two negative effects of subsidies 1) farmers tend to become quickly dependent on a supply of planting material at an imaginary cost and 2) nurseries are induced to produce planting materials that they know they cannot afford to grow after the subsidy is ended

Subsidizing willow, poplar, and black locust, the most commonly planted farm species other than fruit and nut trees, is unnecessary Willow and poplar expand rapidly by vegetative cuttings produced directly on farms, and black locust is easily and effectively grown by direct sowing of seed during the wet winter season

Demonstration plots APFDP worked with farmers to establish 42 demonstration plots on farms APFDP's policy is to execute a formal written agreement with the owners of fields where demonstration plots are installed Although this is not always necessary in many other projects, it appears to serve the needs in Albania by instilling a more serious commitment in the owners

Although the evaluation team was only able to visit a sample of the demonstration plots, the quality of those visited was generally good Demonstration plots are used as an extension method to show an idea or practice that others will be motivated to imitate or adapt to their own needs or situations A second and equally important purpose of demonstration plots is to create local sites for field meetings workshops and training activities APFDP has made appropriate and successful use of the plots for these activities Several of the sites however were in remote areas where few people would see them Only one of the sites visited the demonstration nursery in Lezha, had a sign identifying it as a demonstration plot

Training APFDP provided a consistently high level of training throughout its first two years The program has demonstrated overall skill in 1) targeting material to the right audience, 2) thorough preparation, 3) timely presentations of appropriate duration, 4) interactive methods, and 5) supportive printed materials The training portfolio has covered a broad range topics and

served diverse audiences—ministry officials, university faculty, businessmen, and farmers. There is a full schedule of these activities throughout the APFDP area.

APFDP has taken good advantage of the high literacy rate in Albania (nearly 100 percent) by distributing extension bulletins and leaflets. These materials have been prepared directly by APFDP or translated from other languages and tailored to Albanian needs. They cover a wide range of subjects, from tree planting techniques to policy and legal issues, and are targeted to a wide range of audiences, from private farmers to government officials. Whether addressing common issues or problems encountered by a specific group, these publications are a useful reference. Using mass media to promote sustainable forestry practices has been less successful. It has been difficult to obtain air time on radio and TV and the six newspapers published in Albania generally are not targeted to rural readers.

C Future Program Opportunities

C1 Policy

APFDP's greatest opportunity in the policy arena is to secure successful restitution. The restitution laws and regulations are in place, but policy is needed for several implementation issues, including procedures for resolving claims without official ownership documents and determining restitution under the 100-hectare limitation. The development of a national forest strategy will enable ex-owners and komuna and district officials to resolve many issues regarding private forests, their roles, relationships between private forest owners and government, and level of government control over forest use. Similarly, the development of a rational leasing program for state forest lands will create incentives for sustainable private management and generate revenues.

C2 Field Activities

APFDP's field-level participatory activities are creating new opportunities and positive changes.

The evaluation team supports APFDP's decision to concentrate its efforts at the local level in the Lezha District, where it has already initiated activities dealing with refused and non-divided land and decentralization of state forests.

Farmers are expressing interest in Christmas tree, walnut, willow, and chestnut production, pasture and forage improvement, and other production activities—and in fact are suggesting these products, which is an advantage in start-up. These interests are compatible with APFDP and can be explored.

The HPI component is creating a high level of interest in livestock improvement and is increasing farm incomes. As the HPI groups become more familiar with the new breeds, follow-up visits will focus on specific technical questions about pasture, forage, and nutrition and there will be less need to provide general information and guide group activities. The HPI groups can be linked to other APFDP field activities with emerging interests in pasture, fodder, and animal nutrition improvement.

There is a high level of interest in producers' associations such as the rapidly growing Nursery Network APFDP can build on its experience with the Nursery Network and the new willow and wicker group it is helping establish (see Chapter VI) to help create associations

The program's successful demonstration plots would be more valuable if they were located on busier roads and had low-cost, easily replaceable signs identifying what is being demonstrated and by whom

Using mass media to disseminate extension information may be a workable and efficient method to reach expanded audiences. However, APFDP will need to address some unresolved issues before it can begin to use mass media methods: 1) how to get more air time on radio and TV, 2) how to use the media to get more effective distribution of the printed materials, and 3) how to relate the APFDP program to urban audiences so newspapers will be interested in it.

D Recommendations

Policy

- Implement restitution laws and regulations locally. Do not launch new activities at the central government level to deal with forest privatization policy.
- Develop, with ex-owners and local government officials in Lezha District, a replicable methodology for restitution of private forest land that can be used in other districts.
- Work with central government officials to remove barriers to ex-owners securing title to their forest land.
- Continue to work on the national forest strategy, in cooperation with the GOA and AFP.
- Continue to work at the national level to help develop long-term lease mechanisms for state forests.

Field Activities

- Work with the country director of Peace Corps, when it returns, to provide appropriately trained and experienced volunteers with meaningful APFDP field experience.
- Start four or five new HPI groups in year 3.
- Set up pasture utilization, management, and improvement demonstrations for HPI groups which are interested in increasing forage quantity and quality.
- Add another livestock specialist to support HPI activities.
- Continue to work with the Nursery Network and help establish other forest product associations (see recommendations in Chapter VI).

- Redirect demonstration activities from providing subsidized forestry and conservation planting stock to teaching farmers how to grow their own seedlings and specifically how to use direct seeding and vegetative cutting materials
- Locate new demonstration plots close to roads where they will be frequently seen
- Install highly visible and replaceable cardboard signs at demonstration plots to attract attention and increase their potential impact
- Investigate more effective use of mass media to promote sustainable land use practices consider the use of short-term technical assistance (STTA)

SECTION III

IMPROVED UTILIZATION OF REFUSED AND NON-DIVIDED LANDS

Although the program design identified refused and non-divided lands as a critical issue they were not a specific component of the program contract. However, in the first year of the program refused lands surfaced again as a critical issue. The initial results framework addressed refused and non-divided lands through IR B 1. The current results framework addresses refused and non-divided lands via IR 2.

APFDP's strategy for improving utilization of refused and non-divided lands has been two-pronged: working with the GOA to reform policies to facilitate distribution and administration of these lands and working with villages and individuals on field activities to demonstrate viable uses of the lands.

This section addresses policy activities. Field activities are addressed in Section II.

A Present Situation

There are about 100,000 hectares of refused and non-divided lands¹—generally degraded lands classified for agriculture and not yet privatized—in Albania. Refused lands, which were distributed but refused, and non-divided lands, which were never earmarked for distribution, are often former community forests that were cleared and terraced for agriculture during the communist period but are unsuited for crops. DGFP, which is officially responsible for administration and adjudication of refused land² through the DDFSs, does not have the resources to deal with these lands and has more important responsibilities in the forest sector. In the absence of legal distribution, villagers have relied on traditional land ownership and use patterns to determine ownership and are using these lands.

B APFDP's Strategy and Role

In 1996 the GOA identified the transfer of refused lands to individuals as a key policy issue affecting private forestry and asked for APFDP's assistance to resolve the issue. Participants in the APFDP seminar in June 1996 concluded that they needed more information on local conditions and reasons for refusal to address the issue. APFDP subsequently provided training in Participatory Rural Appraisal (PRA) to teams of government employees, who then conducted PRAs in the Elbasan and Pogradec districts. The appraisals focused on five questions:

- Where are the refused lands?
- Why were they refused?
- What qualities and conditions characterize the refused lands?
- How are the lands currently being used?
- What do farmers think should be done with the refused land?

¹ The exact area of refused and non-divided land is unknown. One official with the central Restitution Commission estimates the area at 130 000 hectares.

² This responsibility is given in Law Number 8047 On the Administration of Refused Agricultural Land.

The appraisals, which found numerous reasons for refusal and learned that land classified as non-divided land had also been refused, concluded that local adjudication was the best way to handle this complex issue. After this information was discussed at an APFDP seminar September 4, 1996, the GOA asked for APFDP assistance in conducting PRAs in four other districts. The results of these PRAs were discussed at a larger APFDP seminar October 30, 1996, after which the GOA formed its own working group to draft new legislation. APFDP was part of the group and provided input as requested and reviewed and commented on drafts.

APFDP policy activity on refused and non-divided lands is one of the major successes of the program. By convening principal decision-makers and providing them with information on local conditions and attitudes about refused land, APFDP facilitated the creation of a government task force to rewrite the law on refused lands and reviewed and commented on interim drafts. The draft law was submitted to the Council of Ministers before the civil unrest and resubmitted by MOAF in October 1997 with only minor changes. Government officials anticipate that it will be adopted in the near future.

The draft law removes responsibility for refused and non-divided land from the DGFP and gives it to local governments, who will have the authority to allocate these lands according to local conditions and traditions. The refused land may be privatized, owned by a community, or managed by a komuna or village. It is unlikely that refused land will remain in state ownership after passage of the new law.

In helping GOA resolve this issue, APFDP demonstrated its capabilities and gained the confidence of government decision-makers, particularly for its ability to bring local realities into policy debate. GOA's confidence in APFDP continued throughout the civil unrest and changes in government.

C Future Program Opportunities

Although the new law will probably be passed soon, it is not clear how komunas can implement it. Government officials are interested in APFDP assistance to develop procedures for implementing the law at the local level. APFDP has the skills, experience, and confidence of the government to take on the task of developing a workable methodology for local adjudication.

D Recommendations

- Do not initiate new policy activities on refused and non-divided land, develop procedures to implement the new law and begin implementation when it is passed
- Work with local officials in the pilot districts to develop a methodology for local adjudication of refused and non-divided land, seek input from officials in the central restitution commission but retain local authority
- Refine and generalize the methodology for replication in other komunas
- Disseminate information about the methodology to central government for use in developing official procedures

SECTION IV

INCREASED DECENTRALIZATION AND SUSTAINABLE MANAGEMENT OF STATE FORESTS AND PASTURES

Task 4.2 of the program contract requires APFDP to work with villages to develop and implement decentralized, sustainable management plans for state forests and pastures. The first year results framework met this requirement through IR A.2 (decentralization policy) and IR B.2 (decentralization demonstrations). The current results framework has consolidated policy and field decentralization activities into IR 3.

The principal approach to decentralization is transferring state forests and pastures to *komunas* (subunits of the districts comprising several villages). In most cases, villages will manage the transferred land.

A Present Situation

In 1992, the GOA enacted Law 7623, "For Forestry and Forest Service Police," which authorized *komuna* forests owned by the state and under the administrative authority of the DGFP via its DDFSs. *Komuna* forests are to be managed for "common use of one village, of several villages, or a *komuna*" (Article 4).

In 1996, the MOAF (with assistance from AFP) promulgated Regulation 308, "About the Transfer of *Komuna* Forests and Pastures," which elaborated the procedures for the creation and management of *komuna* forests. Although the regulation is somewhat confusing, it appears that the local DDFS and *komuna* government have joint administration responsibilities for the *komuna* forests. The *komuna* government is responsible for delineation of the forest boundaries (in cooperation with villages) and preparation and implementation of a forest management plan. The DDFS is responsible for approval of the boundaries and management plan, technical assistance, forest law enforcement, and provision of state resources (if available).

The regulation provides for the establishment of village forests and pastures commissions (village commission) and *komuna* forests and pastures commissions (*komuna* commission).

- The village commission is a legally recognized body responsible for representing the interests of the village in the creation and management of the *komuna* forest. The village representative to the *komuna* commission is the village's only official vehicle for influencing *komuna* decisions about *komuna* forests. The village commission should guide the development of needs assessments and management plans and host necessary public meetings (as identified in the methodology).
- The *komuna* commission comprises representatives from each village commission and members of the *komuna* council. The *komuna* commission, in collaboration with DDFS, is responsible for conducting a study of village needs provided by forests, including fuel, fodder and grazing, and developing management plans for *komuna* forests under its jurisdiction.

Once DDFS approves the boundaries and management plan for a *komuna* forest, the forest land is transferred "in-use" to the *komuna*. The *komuna* can then delegate in-use rights to

forest and natural resource management at Colorado State University in August and September 1997 APFDP is also sponsoring a European study tour for high-level decision-makers on decentralization of state forests

APFDP activities in support of the development of a national forest strategy (described in Chapter II of this report) also enhance the policy environment for decentralization

Finally, APFDP has informally commented on drafts of the proposed "Public Property Administration" law, which will remove barriers to local governments investing in and retaining revenues from forest and pasture land and encourage their interest in the transfer of forests to komunas. Currently, all investments in and revenues from these lands flow through the central government.

These activities have raised local and central government awareness about the land transfer process and stimulated the interest of high-level decision-makers in developing a national forest strategy. APFDP has provided decision-makers with information on how to develop a strategy and is facilitating a forum to develop strategy. These activities have also increased the capacity of some individuals to analyze decentralization policy issues.

B2 Groundwork Laid for Sustainable Management of Transferred Komuna Forests and Pastures

Field activities for sustainable management of transferred komuna forests and pastures have focused on demonstrating successful land transfer at the village level. The program initially identified one village in each of the three districts it was working in as pilot areas. After further consideration, it consolidated its activities in the Lezha District in two villages (Trashan and Kallmet) in two komunas (Blinisht and Kallmet). In late 1996, APFDP met with central government, district, komuna, and village leaders and gained their support for transferring state land to komunas in Trashan and Kallmet.

At the start of the second year of the program, APFDP staff developed a step-by-step plan for implementing Regulation 308 (forest transfer) at the village level, including boundary delineation, PRA (postponed due to the civil unrest), and master plan development and also developed a draft outline for a komuna forest management plan. Although not stipulating the establishment of a village commission to guide the transfer process, the plan does call for establishing a group of elders in each village to assist in defining the boundaries of the area to be transferred (step 3), electing a representative of each neighborhood to serve as the contact person for the PRA team, and holding several public meetings. The group of elders is not identified as a permanent coordinating or advisory body.

APFDP met with leaders of the two villages in early 1997 and worked with a group of elders and representatives from the DDFS and the district cadastral office to delineate the boundaries of the proposed komuna forests. The boundaries have been accepted by the villages, the DDFS, and the cadastral office. The mapping procedure successfully demonstrated how realistic forest boundaries can be defined, locally accepted, and officially approved and the importance of local participation in the process. During a field trip with the evaluation team in November, APFDP staff established contacts with the new government officials in Lezha District and the new DDFS director, who expressed their desire to continue working with APFDP on the development of komuna forests.

APFDP has secured central and local government support to conduct transfer demonstrations in Lezha and developed a good working relationship with the Lezha DDFS which is conducting transfer activities in Kallmet and Trashan. Unfortunately, it has not identified or developed a village organization to work with. Village forests and pastures commissions, as stipulated by Regulation 308, have not been established in Kallmet and Trashan. AFP, the other project working with komuna transfers, uses the village commissions as its primary contact in the villages. AFP recommends that each commission has four to seven members and allows each village to decide how to set up its commission.

C Future Program Opportunities

Although management of community forests is a traditional responsibility and does not require legal action, legal transfer does have the potential to strengthen traditions and relationships between villages and DDFS, which in turn can strengthen DDFS protection of these forests. This protection will become important if komunas gain control of up to 400,000 hectares of forest land, with the potential for significant economic activity.

C1 Policy

Regulation 308 has resolved the primary policy obstacle to decentralization that existed at the start of APFDP. Transfers have been made and many more are in process. However, the regulation, sometimes described as a necessary but insufficient condition for forest transfer, is unclear on some points (e.g., the role of village commissions) and has some provisions that may not be completely desirable (e.g., the 10-year limitation on transfer of use rights).

The principal current policy opportunity is to establish on-the-ground use rights under Regulation 308. Although a proactive national policy program on decentralization does not appear to be warranted now, changes in policy will be needed as the number of transfers grows (with possibly twice the anticipated number of hectares covering one-third of forest land) and constituencies begin to lobby for changed policy.

The lack of a national forest strategy that clearly defines the roles of private, komuna, and state forests is an unresolved policy issue. APFDP will continue to facilitate and influence the development of a strategy.

C2 Field Activities

APFDP has made commendable progress toward establishing komuna forests in Trashan and Kallmet, particularly given the seven-month disruption in field activities in 1997. The boundary delineation exercise demonstrated the value of involving both local residents and district officials in the process. The program's greatest opportunity now is to strengthen community ownership of the process, which can be accomplished through community forestry—forestry directed at people rather than trees. For this to occur, the community needs a mechanism to share decision-making power and implementation responsibilities with the DDFS. Regulation 308 provides for this mechanism in the village forests and pastures commissions. The use of PRA to identify village needs and potential management methods would also be a significant contribution to involving the community in the process.

Applying a community forestry approach requires forest professionals to make a major shift in perspective from dealing with local people only because they affect forests to applying their

skills and the resources of the forests to serve local people. Albania has many well-trained foresters but most of them do not have experience working for local communities. The AFP staff person in charge of komuna transfer cited this lack as one of the greatest barriers to its transfer program. APFDP has an opportunity to facilitate the shift in perspective by providing formal and on-the-job training and opportunities for APFDP staff and DDFS foresters to work with communities to develop a community-driven transfer process. AFP expressed an interest in cooperating in such efforts.

D Recommendations

Policy

- Do not initiate new policy activities at the central government level on decentralization of state forests
- Use the policy instruments now in place to transfer state forests to komunas
- Continue to assist the GOA in developing a national forest strategy, in cooperation with AFP

Field Activities

- Develop and implement a community-based transfer methodology in the two villages of Trashan and Kallmet, review the process, and identify potential policy needs for future program activities
- Facilitate the formation of village commissions in Kallmet and Trashan as a focal point for the entire transfer process
- Analyze the effectiveness of the transfer methodology, make necessary revisions, and document this work to develop a replicable model
- Host a seminar for komuna leaders to disseminate the replicable model and successful approaches, in cooperation with AFP
- Develop and present training courses on community forestry for APFDP staff, DDFS foresters and technicians, and private foresters interested in working with komunas in cooperation with AFP
- Provide on-the-job training in community forestry for APFDP staff and DDFS foresters and technicians working on the transfers in Kallmet and Trashan
- Add an expatriate community forestry specialist to support activities in this area

SECTION V

INCREASED PUBLIC AND PRIVATE FORESTRY EXTENSION CAPACITY

Extension activities included in Task 4.3 in the program contract have always been an important APFDP component. In the first results framework, policy activities for extension were included in IR A.4 and field activities in IR B.3. The current results framework consolidates the development and support of extension into IR 4.

A Present Situation

The evaluation team was unable to identify any forestry extension activities directed toward farmers, villagers, and producers in Albania other than those of APFDP. APFDP cooperated with Agricultural University of Tirana (AUT), which offers generic training in extension to provide extension training to 22 forestry agents in the past year. Some field activities of the newly formed Agricultural Extension Service (AES) are directed toward some of the same rural audiences being addressed by APFDP, especially in animal husbandry, horticulture, agronomy, and forages. There is no apparent conflict among field agents at this time because all of them are relatively new to extension work and most are finding more demand for their services than they can provide. Some APFDP and AES agents work in the same villages and komunas without difficulty.

B APFDP's Strategy and Role

In its first year of operation, APFDP determined that public forestry, traditionally managed by a centralized, top-down authority, needed to interact with forest users and the newly developing private forestry interests. As the GOA, and the DGFP in particular, did not show interest in establishing an extension policy, APFDP developed a two-level strategy of liaison and dialogue at the central government level and interaction with private organizations and DDFS personnel at the field level. At this same time, APFDP and Peace Corps developed a farm- and village-level communications network through which Peace Corps volunteers motivated farmers to plant trees and conduct other agroforestry activities and APFDP provided in-depth technical support and training. This network began an interactive process in extension activities and enabled APFDP to identify further opportunities to work with local NGOs and private extension agents.

Although APFDP continued to believe that the GOA would recognize the need for public forestry extension, APFDP gave its highest priority in the second year to private organizations and DDFS personnel at the field level. Albanian staff continued to communicate with field extension agents throughout the period of civil unrest. APFDP intensified its focus on private extension agents when it returned to full operational strength, because they had functioned well in identifying market incentives for local producers.

Throughout the program, APFDP's role has been to identify needs for information and knowledge about forestry opportunities and how the extension process can address those needs.

B1 Groundwork Laid for the Establishment of a Coherent and Dynamic Public Extension Organization

APFDP has brought to the forefront the need for public-sponsored forestry extension, especially within the MOAF and focused on the DGFP. The process of establishing an extension organization has been slowed by rapid turnover in DDFS, with three new directors, not all of whom are qualified. Meanwhile, APFDP has maintained a lower level of liaison and communication with other actors in this field, principally the MOAF Science and Extension Directorate, which sponsors the newly created Agricultural Extension Service (AES), the Forest and Pasture Research Institute (FPRI), and the Agricultural University of Tirana (AUT), which is responsible for educating and training AES staff. In addition, the State Secretariat for Local Government (SSLG) has expressed interest in forestry extension services at the village and komuna level and has been involved with APFDP and these other organizations in discussion forums and workshops on public forestry extension. Public sponsorship of forestry extension will most likely be rooted in one of these organizations as the process is sifted and sorted by the GOA. It is also possible that a cooperative or inter-agency collaboration could evolve that would include two or more of these organizations.

The five potential extension sponsors are

- **Directorate General of Forestry and Pastures** At present, DGFP is severely limited by drastic reductions in appropriations for management and field staff. In addition, evidence indicates that DGFP has failed to accomplish the most fundamental part of its mission, protecting forests from illicit logging. Nonetheless, DGFP, which considers forestry extension a technical program to improve management, has the greatest mass of technical expertise in forestry extension. The new director general has made staffing changes that have improved open dialogue and responsiveness, which are necessary for effective extension services.
- **Agricultural Extension Service** AES is hoping to use its limited experience with the start-up of agricultural extension as a base for providing extension support to small farmers in the private sector, many of whom it believes will be forestry extension clients. With technical and financial assistance from AVATAR, AES has placed more than 500 people in field extension locations in 5 regional offices, 26 districts, and approximately 250 komunas. A new bilateral contract with the Netherlands, if implemented, will expand the extension program into the 10 remaining districts and all the remaining komunas by the end of 2000, at which time AES will have more than 700 people on staff. Because AES' contract requires the GOA to provide \$4 million in matching funds, it is uncertain when (or if) the expansion will be undertaken.

AES has already developed enough field-level infrastructure to quickly place forestry extension personnel into its system. The advantages of incorporating forestry into AES are its unified and identifiable structure and its audiences, which are the same as those for extension activities. However, AES' top-down program objectives may create difficulties in incorporating forestry activities. It is important to point out that the evaluation team thinks the large AES structure is not sustainable for the next five years.

- **The Forest and Pasture Research Institute** This institute conducts research dealing with public forest and pasture lands and considers forestry extension an opportunity to expand its program and apply research findings in the field. FPRI's research has

traditionally had a top-down focus directed toward public sector needs rather than private land users. The FPRI research process—meticulous, deliberate, and slow—can be important in expanding the body of knowledge to support an extension system but may not meet the day-to-day needs of the private sector for information, workable methods and techniques, and immediate, basic knowledge about established forestry methods. The interpersonal nature, rapid changes, and adaptability of an effective extension program usually are not compatible with the rigor of good research practices and can be problematic in the same organization.

- **Agricultural University of Tirana** APFDP has worked intermittently with the Agricultural University of Tirana (AUT). Over the past five years AUT has developed an agriculture education and extension department and seconded faculty from several departments, including agricultural mechanization, soils, agronomy, and horticulture, who have agreed to do the extra work without pay. The forestry faculty is not yet included in this ad hoc group. With the aid of Volunteers in Overseas Cooperative Assistance (VOCA) and AVATAR, AUT produced a 10-week short course in extension organization, methodology, and communications, which has been conducted five times and trained 84 people (mostly teachers and field extensionists from AES). AUT has also received significant assistance from GTZ and the EU to modernize its course offerings and syllabi (forestry included) to include free market concepts, of which extension is an important element. APFDP has collaborated with AUT on short course development and presentation on technical forestry subjects and the extension training of trainers methodology.

AUT sees its role of recruiting, educating, and preparing extension professionals as a part of its tradition of educating specialists (engineers) in agriculture and forestry and also sees a potential role in operating a small, efficient forestry extension program on the U.S. Land Grant model. However, AUT lacks the field-level structure, focus, and forestry staff necessary to sponsor a forestry extension program at this time.

- **The State Secretariat for Local Government** SSLG, which focuses on developing and improving local government at the village and komuna levels, has helped identify local people and groups for APFDP field activities and cooperated with APFDP and AES in establishing local extension programs. SSLG takes the general position that an effective forestry extension program can be operated at the komuna level and partly funded by local users. Although this will not be common, it is a definite possibility in komunas where productive forest land of relatively high value can be acquired from the state forests. However, agents with post-secondary education and adequate technical knowledge will be needed for locally funded extension programs.

Forestry extension was one of the major themes at the 1996 APFDP strategic planning workshop attended by representatives from all five potential sponsor organizations as well as other stakeholders. As the workshop report noted, the consensus was that DGFP was the logical choice to sponsor public forestry extension if it could make the appropriate organizational and financial arrangements. The evaluation team thinks it is risky to support a particular government organization to sponsor public forestry extension at this point, when there are frequent changes in political leadership and directions in policy, strategy, and budget.

APFDP has had minimal results in laying a groundwork for a coherent and dynamic public extension forestry service because the issue of sponsorship has not been resolved. In this

situation donors (including USAID) have wisely shown constraint by not stepping in to fund public forestry extension with grants or loans. Hopefully, the slow process of resolving the institutional home for forestry extension will result in a sustainable organizational structure.

B2 Increased Capacity of Public Organizations, NGOs, and Private Suppliers to Provide Extension Services

APFDP has provided training and support to private and public agents and NGOs to increase their capacity to provide extension services. APFDP's recent work to increase public awareness about forest issues, an important aspect of capacity-building, is also discussed in this section.

Private extension agents Lacking a public extension sponsor, APFDP initiated the innovative and unique short-term solution of using existing extension agents as field contacts on an as-needed basis. In the first year, APFDP identified and trained 11 agents—5 from private sector commodity interest groups and 6 DDFS foresters from the program districts. In the second year, APFDP trained 5 new private agents from the Nursery Network and 10 additional DDFS foresters. This approach has the advantage of rapid, low-cost start-up and the disadvantages of conflicts of interests (two jobs), unavailability when needed, lack of consistent purpose among the agents, and uncertainty about the situation when APFDP ends. On balance, the evaluation team thinks this is a commendable approach to start activities even with weak or non-existent infrastructure and linkages.

The private extension agents are under contract to APFDP, which provides them with a 500-leke daily stipend while in training and working for APFDP, plus a daily allowance to cover travel and lodging costs while away from home. These agents have been instrumental in formalizing group structure and two-way communications, organizing training, resolving technical problems through an interactive process, and exploring new markets. Their activities have created new opportunities for APFDP to interact with other groups. The Lezha demonstration nursery and new honey marketing developments at Pogradec are examples of their successes. Eight days per month (96 days/year) were initially allotted to the private agents, but some of them have not been this active, primarily due to the demands of personal business interests. Some of these agents are using their own resources for their extension activities (particularly those that meet their personal business interests). A sustainable mechanism to support private extension agents has not yet been identified.

Many private extension agents represent private producers' groups (e.g., the Nursery Network) and are able to link the associations, which need to reach new markets, with small businesses, which need to improve their access to raw materials. Each of these market-motivated systems is better able to identify target audiences, information and training needs, and potential paths to sustainability. There are many successful examples of this approach around the world that have supplanted public extension systems in various technical areas.

Intermittent forestry agents are often in potentially conflicting situations because they have two functions: routine policing, which is part of their permanent position, and teaching, which is the focus of their extension activities. APFDP has tried to avoid conflicts by selecting agents willing to help people meet their needs. So far, public extension agents have had fair to good results in informing and motivating user audiences to address their problems. However, there is not yet any significant long-term or sustainable impact.

NGOs Most Albanian NGOs were founded three to four years ago and are still struggling with internal issues of organization and finance. In general, they seek financial support from APFDP rather than a partnership. APFDP has sought to develop a supportive relationship with NGOs through working with the Regional Environmental Center (REC), a donor-endowed umbrella NGO for Central and Eastern Europe headquartered in Budapest. Its branch office in Tirana works to strengthen Albanian NGOs that focus on environmental problems: ecology and pollution control. NGOs that qualify to compete for grants and contracts through REC have the capacity and credibility to be effective partners.

Protection and Preservation of the Natural Environment of Albania (PPNEA) is the best example the evaluation team found of a strong NGO that has survived start-up problems and entered maturity. Chartered as the first NGO in Albania in 1991, it has a nationwide membership and local chapter affiliates and has won numerous competitive grants through REC. PPNEA has received training through APFDP and has also teamed with APFDP on training activities. APFDP is working with PPNEA to develop a small agroforestry demonstration site at the Tirana Botanical Garden (see Section II).

APFDP recently began efforts to stimulate public support for forest protection and management. In November 1997, APFDP and several organizations sponsored a conservation and environment poster contest, "Our Forests—Our Future," in Tirana, with participants from the classroom to the Ministry of Education level. This initial effort, arranged with the help of short-term technical consultant Bill Mackie, involved 19 elementary schools and was supported by the Nursery Network, which supplied trees for school planting ceremonies. A representative selection of posters was displayed at the National Art Gallery. A formal ceremony was held to recognize the contestants and institutional participants and to present awards.

C Future Program Opportunities

APFDP's interactive and consultative process to develop a public forestry extension service is continuing. The interim agreement with DGFP for intermittent agents appears to provide the most appropriate level of field activity for public forestry extension until government sponsorship is finally resolved. Even though public extension forestry may not be organized and internally funded for five or more years, a continued and balanced liaison with all five actors (DGFP, FPRI, AUT, AES, and SSLG) will solidify APFDP's role in this process. Whatever the decision about sponsorship, APFDP's good relations with all five potential sponsors will enable it to assist quickly in implementation.

In the absence of a public forestry extension service, APFDP will need to continue to work directly with public and private organizations, including NGOs, to support forestry extension. The success of private extension activities, beyond the life of APFDP, will depend on developing sustainable financing mechanisms. APFDP can work with associations, businesses, and commercial and industrial interests to identify funding sources for private extension activities.

Indigenous NGOs can be expected to expand in number and gradually gain in experience, capability, and reliability. As this happens, APFDP will have greater opportunities to work with and strengthen NGOs through training and field activities.

APFDP also has the opportunity to build on its successful public information campaign with the Nursery Network. However, Albanian financial sponsorship will be needed from larger

corporations such as Mercedes-Benz and the National Fertilizer Corporation (not necessarily linked to conservation or forestry)

D Recommendations

- Make relationships with all five potential institutional sponsors of public forestry extension
- Continue to use intermittent private extension agents and DDFS intermittent extension foresters
- Seek sustainable association, business, commercial, and industrial sponsorship of private extension
- Continue to work with REC to identify compatible, functional NGOs for potential collaboration
- Continue to work with PPNEA in tree planting and agroforestry demonstration plots
- Continue to foster broad public support for the protection and management of forests
- Support a 1998 conservation poster contest for the public schools, modeled after the 1997 Tirana contest, seek corporate financial sponsors for the contest and link with the Nursery Network for technical sponsorship

SECTION VI

INCREASED NUMBER/EXPANDED CAPACITY OF SMALL-SCALE NON-TIMBER FOREST PRODUCERS

Small-scale non-timber forest product development was not a distinct task in the APFDP contract, although small business development activities were parts of other tasks. Small agro-silvopastoral-based enterprises were a more important component of the program in the first results framework, in IR B 4,¹ than the current framework which consolidates small and medium enterprise (SME) development and support in IR 5.

A Present Situation

A combination of factors including economic and political climate, legal and regulatory framework, and public and private support creates the environment for small business development in this area. The state-owned sector continues to decline in the wake of the destruction of many production facilities in the civil unrest. Agricultural cooperatives, which have been privatized, were also destroyed to some extent during the civil unrest.

The national political and legislative environment is slowly coming out of a chaotic transitional stage, although severe political tensions persist in Tirana and security is weak in many remote regions. Like forestry and agriculture legislation, much business-related legislation needs to be rewritten and implemented. Some basic laws on ownership and privatization enacted by the previous government have tested negatively and need to be reworked or have not been interpreted, creating uncertainty about their applicability and enforcement. Albania is still suffering from high inflation. The financial system remains under state control and is in disarray. Banks have been forced to temporarily suspend issuing credit, which seriously affects small businesses in particular.

Public and private services to small businesses, especially in forestry and agriculture, are inadequate. SME development is low on the agenda of central and local government institutions, which are struggling with basic problems. The Chamber of Commerce, which all registered businesses must join, operates like a pre-1992 government-run institution and is not capable of providing meaningful services to entrepreneurs. The big, old-style associations are inexperienced in market economics and sound management. New, more dynamic associations are just beginning to emerge.

Despite this grim picture, the SME sector is growing.² Whereas officially only 241 firms or individuals are licensed in secondary forest production, in reality there are hundreds more.

¹ APFDP staff plans to use the term "non-timber forest producers" in place of "silvopastoral enterprises" in future results frameworks as it more accurately describes the types of enterprises the program works with.

² The growth is not reflected in official statistics. Sources of data for non-timber forest products (or so-called secondary forest products) include the state Institute of Statistics, MOAF, and the DGFP. According to official statistics, between 1992 and 1996 revenues from secondary forest production as a percent of total revenues from forest products dropped a hundredfold, from 38.88 percent to 0.38 percent. APFDP encountered the lack of reliable secondary data for the small business sector in attempting to analyze the sector. A more substantial sector analysis would require a major effort to collect primary data, which is far beyond the scope of this assignment as well as APFDP's mandate.

unregistered firms or individuals, mostly farmers, that harvest the forest or derive at least part of their income from forest-related activities. Non-timber forest product-based business activity also provides hundreds of additional jobs that are not captured by official statistics.

B APFDP's Strategy and Role

APFDP recognized the importance of non-timber forest products-based SME development early in the project and decided to focus some of its limited resources on researching and disseminating market information and improving small business management skills. In addition, APFDP assisted individual entrepreneurs whose forestry-related activities had significant potential.

B1 Improved Access to Market Information, Affordable Inputs, and Credits

APFDP completed and disseminated several studies and materials (leaflets) on markets, credit sources, and production inputs. In particular, a survey of small-scale private forestry activities in several districts to support program components provided useful information for businesses and contributed to their growth.

In its first year alone, the program developed 16 leaflets with market and technical information on seedling availability and price and the *Medicinal and Etheric Oil Plant Handbook*, which provides technical, marketing, and financial information for some common Albanian species. Leaflets on secondary forest products and the handbook, developed to support extension activities, have increased the quantity, quality, and marketability of some products.

The survey on credit for private secondary forest activity documented the scarcity of facilities and limited access to credit for small businesses. Although this issue is typically considered important to small businesses, it is overestimated in Albania, as in many other post-communist countries. Most small businesses need other forms of assistance, such as management training, consulting, and counseling. The vast majority of entrepreneurs active in non-timber forest production are not ready to take advantage of SME credits. For example, APFDP dealt with an entrepreneur who took on debt to invest in his nursery, unaware of how detrimental that can be.

In bringing together willow growers and producers and an exporter of wicker, APFDP strengthened middle links in the production and distribution chain, a weakness in the market system. The very fact of bringing together people from various stages in the chain created new business opportunities and increased industry growth and efficiency.

The study on willow, which included a benefit/cost analysis, demonstrated the profitability of willow growing. The study draft was widely distributed for comments and served as resource material for a workshop for willow growers and producers in late October 1997. The program will conduct a follow-up study on marketing wicker products. Participants agreed that it would be in their interest to establish a vertical wicker association, grouping willow growers, wicker producers, and dealers/exporters.

APFDP is completing another study on non-timber forest product production in Albania over the past ten years. Similar to previous research by the program, this study can only present a fragmentary picture of the sector in the absence of expensive and lengthy primary research. It may not be the right tool to determine the real needs in this area but it is useful to APFDP in

indicating the potential for small business development in non-timber or secondary forest production. Such studies have very limited use to entrepreneurs.

B2 Improved Business Management Skills

APFDP conducted an introductory nursery management course in its first year of operation that covered technical and some financial aspects of nursery management and was part of the extension activity. In the second year, an improved version of the nursery management course was offered, with technical and practical information on establishing and operating forest and fruit tree nurseries as viable businesses. Both courses provided well-structured, appropriate technical support that increased the number of private nurseries.

APFDP also designed and delivered twice a well-structured small business management course that significantly improved the management skills of 14 agroforestry-related entrepreneurs. The participants received assistance in preparing their own business plans, which they can use as road maps in developing their businesses. The course was highly rated by the participants.

The business management course was followed by a basic record-keeping and accounting program for nursery operators. This program was designed as a continuation of the management program and contributed to sustainability of nursery businesses.

APFDP also delivered various other forms of assistance to individual entrepreneurs (mushroom dealers, honey producers, etc.), including specific assistance in small-scale activities and advertising materials that contributed to business growth and helped create new jobs and generate income.

C Future Program Opportunities

Forestry-related activities were an important component of the pre-1992 economy. Currently, SME—largely neglected by central and local authorities and financial and other institutions—is among the most promising sectors in Albania, especially forestry-related non-timber small businesses that have limited capital requirements. APFDP could have a strong economic impact in its program districts, which are well-suited for small business development. APFDP is well-positioned to facilitate access to market information, a major constraint to SMEs, and establish and strengthen associations that will appeal to entrepreneurs. APFDP also has an opportunity to support income-generation in the non-timber forest products area, an activity that was not adequately addressed in the original program design.

APFDP should increase its support for small businesses in willow production, processing, and sales, etheric oils and medicinal plants, mushroom gathering, processing, and exporting, and beekeeping and honey production, and for nurseries, all of which have great economic potential. APFDP support to small business can also create economic incentives to increase private and decentralized management of forests and pastures. To this end, support should be provided and increased to remove barriers to small business economic activities, make extension activities more business-oriented, and provide small-business assistance to HPI livestock groups.

These opportunities justify increasing APFDP small business support as an IR and a cross-cutting activity supporting other IRs. APFDP will need a higher level of effort and more

expertise in small business support to help entrepreneurs and other program components capture these opportunities

D Recommendations

- Rework indicators for IR 5 in the third year work plan to reflect the principle of maximizing economic impact (including improved management) Indicators include number of new jobs created, additional income/profits generated, and new businesses officially registered or licensed, etc Improved management indicators include number of complete, written business plans of acceptable quality and number of loans obtained by entrepreneurs working with APFDP
- Continue to increase access to information on markets and production inputs
- Improve small business management practices by increasing the level of effort in management training and business-related counseling in the field
- Add an expatriate SME specialist with the qualifications and experience to develop well-defined income-generating opportunities and integrate them into the program
- Refocus small business development activities to areas with the potential for maximum economic impact through job-creation and income-generation
- Strengthen efforts in association-building, including possible collaboration with IFDC/AFADA and Land O'Lakes³
- Improve coordination with other donors to increase the leverage of USAID resources, in particular, expand cooperative in small business management and computer training with the GTZ Small Business Development Project
- Redirect viable small business initiatives that cannot be supported because of resource limitations to other donor programs such as the GTZ Small Business Development Project or the Agricultural Business Center (ABC) of the SARA project that may have resources to support them
- Cooperate with other donors to secure credit for non-timber forest product enterprises⁴

³The association-building tool kit developed by AFADA for its affiliates could possibly speed up the process of setting up associations

⁴Limited credit opportunities are available through FEFAD (a financial institution created by two German state-owned banks) in cooperation with the GTZ Additional credit is expected to be available from a program run by Opportunities International in early 1998 Although these are not large-scale programs to help all small businesses they may provide significant credit assistance in specific well-prepared cases

SECTION VII PROGRAMMATIC ISSUES

This section presents the evaluation team's findings, conclusions, and recommendations on cross-cutting programmatic issues including basic program philosophy, number of program districts, the forestry advisory group, and gender issues

A Program Philosophy

The contract for APFDP envisioned a two-pronged approach to increasing private and decentralized forest management policy activities at the central government level and field activities at the village and individual levels. Policy and field activities were linked by the goal of fostering local privatization and decentralization. The initial results framework for the program continued this two-pronged approach. The current results framework closely links policy and field activities.

In the latter part of the first year, APFDP began to focus on the refused and nondivided land issue and realized that its policy efforts, although primarily directed to the central government, required local input. APFDP's introduction of PRA was a major contribution to policy development on refused and nondivided land. The evaluation team thinks APFDP should build on this success by strengthening its bottom-up program philosophy and becoming more field-driven.

A1 Recommendations

- Increase income-generating opportunities for individuals and communities and opportunities for village control of local forest resources to strengthen local forest management
- Become more field-driven, working within existing policies to secure forest privatization, distribution of refused and nondivided land, and transfer of state forests to komunas, improve market linkages, and strengthen producers' skills and knowledge
- Have program flexibility to support income-generation opportunities in other farm and rural outputs while retaining the primary focus on tree and forest-related outputs
- Direct program policy toward overcoming field obstacles to privatization and decentralization of forest resources
- As the program becomes more field-oriented, shift to a low-key informational liaison in ministerial and district activities that allows the chief of party to maintain visibility and credibility, with appropriate STTA facilitate ministerial and district interventions as identified by the field

B Program Districts

The program contract called for APFDP to work with communities in at least six of Albania's 36 districts. In year 1, program staff and USAID agreed to begin efforts in three districts, with limited activities in Tirana District.

Even with the travel restrictions caused by the civil unrest, the program has made good progress in the three districts, particularly in Lezha and Pogradec, generating increasing demand for APFDP support and presenting APFDP with many new opportunities to assist individuals and communities. In the opinion of the evaluation team, APFDP should concentrate on expanding and improving its activities in the three districts, rather than expand to other districts, and have a full program in Tirana District. Working in Tirana District would allow APFDP to conduct field activities in the event of future civil unrest and may help identify and strengthen commercial linkages in the other program districts. Additionally, since every APFDP field trip travels through a large portion of the district, field work in Tirana could often be combined with field work in other districts. However, individuals and organizations from other districts should not be prohibited from participating in APFDP training or in associations assisted by APFDP.

B1 Recommendation

- Continue to work in Lezha, Pogradec, and Vlora districts and expand to a full program in Tirana District

C Forest Policy Advisory Group

The development of a Forest Policy Advisory Group to guide policy work was considered a principal activity in the contract. During the first year, it became obvious to APFDP that the GOA was not interested in forming such a group when it did not respond positively to APFDP overtures to consider a group and rejected a similar structure, the Forest Council, as a condition for the AFP.

The absence of this group has not hindered APFDP policy activities and may actually have helped by giving the program the flexibility to do with all stakeholders.

C1 Recommendation

- Do not establish the Forest Policy Advisory Group

D Gender Issues

In Albania, women are often the main fuelwood and fodder gatherers, animal herders, and collectors of herbs and other secondary forest products. Because of substantial out-migration of rural men to find employment in nearby countries, rural women frequently carry the entire burden of the day-to-day operation and management of their homes and farmlands. Even when remittances are sent by the men from abroad, the survival of these women-headed households is tenuous. A 1995 FAO report, *Rural Employment Problems in Albania*, points out that women provided about 67 percent of the general labor and 82 percent of the livestock-related labor in 1990. Estimates today are even higher.

Early in its second year, APFDP contracted with the best-known women's consultancy group in Albania, DeMeTra, to conduct a pilot socioeconomic study of the role of women in the management of natural resources. The report, received during the last week of this evaluation, covers Tirana District and two adjacent districts, Durres and Kruja. Although the report verifies the role of women in traditional agriculture and supports the need to address women specifically in program activities, it was limited to outdated secondary sources of information because the civil unrest prevented field work. Clearly, there is a serious need for current data and field study.

APFDP has taken a gender-sensitive approach since its inception. The technical team itself is well-balanced with a professional staff of five men and five women. The chief of party insists as a matter of policy, that all interactive field processes include women and men. The evaluation team found no evidence of gender bias in the APFDP activities we evaluated. Even so, the chief of party said the project will be even more proactive in targeting women and women's groups in the future.

The program has not obtained sufficient input from women in program design and implementation, largely because of mechanisms for gathering input. Women seldom attend village meetings held by APFDP and when they do, they often defer to the men in discussions. Men tend to filter the information from the meetings when passing it on to women. In addition, women are often reluctant to travel to training events. Program extension and training activities need to reach women. Two basic extension methods can help overcome problems of women's limited participation: training of trainers and new extension information such as pamphlets and bulletins on gender-role subjects targeted to women (e.g., care and feeding of livestock).

APFDP also has an open invitation to cooperate with the GTZ Small Business Development Program women in business component, which organizes women's associations and provides training.

D1 Recommendations

- Conduct a gender baseline survey in forestry in the APFDP districts to identify ways in which APFDP can more effectively draw women into its field activities; the survey should be conducted by an expatriate short-term consultant and APFDP staff (and perhaps DeMeTra).

Place a high priority on providing training and extension activities that reach women directly at the farm and village levels, including regional training of trainers and production of materials targeted to women.

SECTION VIII PROGRAM MANAGEMENT

This section presents the evaluation team's findings, conclusions, and recommendations on program management issues.

A Results Framework

APFDP was one of the first USAID programs to use a results framework in program design and management. The framework was developed with considerable stakeholder input and clearly reflects APFDP, USAID, and client interests and needs.

As described in Section 1, the current results framework has been refocused to better meet the goal of increasing rural household incomes through private sector management of private and community forest land. Program management and reporting have been greatly improved. However, some IR overlap still exists. The activities under IRs 1.1 and 2.1 and under IRs 1.2 and 2.2 are virtually the same, the only difference being the tenure of the land on which they are applied. The evaluation team had difficulty differentiating these activities, particularly IRs 1.2 and 2.2, which were reported on only under IR 1.2.

APFDP staff informed the team that they plan to change the wording of IR 5 to 'Increased Number/Expanded Capacity of Small-Scale Non-Timber Forest Producers,' to reflect the activities being conducted under this IR. As stated in Section VI, the evaluation team thinks that the indicators for IR 5 could be reworked to reflect the economic impact of the program, which would provide a more concrete measure of SME activities.

APFDP's results framework is currently under SO 1.3 for OAR/A, "Accelerated Development and Growth of Private Businesses." Most program activities fit comfortably under this SO. OAR/A may soon adopt a new environmental SO—SO 1.6 "Increased Environmental Management Capacity to Promote Sustained Economic Growth." Some APFDP activities may fit under this new SO. For example, NGO activities would fit under proposed IR 4.1, "More effective environmental NGOs," and the public awareness activities would fit in proposed IR 4.2 "More and better public education programs on environmental issues." Most program activities, however, will continue to fit in SO 1.3. Other IRs dealing with resource management sustainability may be developed under this SO, but they had not been proposed at the time of the evaluation.

OAR/R may want to track APFDP's NGO and environmental information activities under SO 1.6 if it is adopted. This shift, however, could complicate reporting activities and necessitate changing the framework, which would not improve results.

A1 Recommendations

- Combine IRs 1 and 2 to simplify the framework.
- Revise the indicators for IR 5 in the third-year work plan to reflect the principle of maximizing economic impact. (See the recommendations in Section VI.)

B Relationships with Government of Albania

B1 Formal Relationship

APFDP has no memorandum of understanding (MOU) with the Albanian government concerning program implementation, although it was apparently assumed initially that an MOU would be developed identifying the MOAF as a program counterpart

APFDP staff indicated that the absence of an MOU has not hindered the program's relationship with the government and that, in fact, an MOU could have restricted the program by tying it too closely to one ministry or department. Without an MOU, the program has been able to work with several government entities which has allowed the program to advance even when some government institutions have shown little interest. For example, the program was able to have positive impacts without the support of the former DGFP director (Fortunately, the new director seems to be very supportive of the program)

As the program becomes more involved in extension, SME, and decentralization of public forest management, it will need the flexibility to work with several central and local government entities. Therefore, the evaluation team sees no reason to devote program resources to developing an MOU

B2 Project Steering Committee

The program's official connection to the GOA is the Project Steering Committee, comprised of representatives from MOAF's Agriculture Directorate, DGFP, SSLG, and the Ministry of Foreign Cooperation. The committee members participate in APFDP's strategy workshops to develop, review, and approve the annual program work plans

The evaluation team met with all committee members and found them to be knowledgeable and supportive of the program. All of them felt that APFDP listened and responded to their concerns

The Project Steering Committee is an important link between APFDP and the GOA especially in the absence of an MOU. The committee provides APFDP with direct contacts with diverse upper-level government managers and the flexibility to work with various government entities. The committee appears to be functioning well and the evaluation team sees no need to alter APFDP's management or use of the committee

C Two Year Extension

As reported in all the previous sections, APFDP has made important contributions to increased private and decentralized management of Albania's forest and pasture resources. In doing so, APFDP has overcome major hurdles, including the 1997 civil unrest, when a program presence was maintained even when the staff was out of the field for seven months. The program has effectively evolved and adapted to changing conditions in Albania

Much of APFDP's work—such as the HPI activities, the Nursery Network, the newly formed group of wicker producers and manufacturers, and other activities that are just beginning—has provided the groundwork for major results in the future, such as the transfer of state forests to komuna management. To reap the full benefits of the work that has been initiated

and ensure sustainability, APFDP should strengthen and build on its accomplishments. This will require that the project be extended beyond the initial three-year period.

C1 Recommendation

- Exercise the contract extension option to extend the project for two years

D Staffing

Many of the recommendations in this evaluation will require new or different skills, mostly in the long-term expatriate staff. The evaluation team wishes to make it clear that these staffing recommendations are based on the skills needed to implement our recommendations and do not reflect on the quality of work of current staff. The evaluation team was impressed with the professional capabilities of all existing staff.

D1 Long-Term Expatriate Staff

If the recommendations of this evaluation are implemented, including program extension, the full-time expatriate staff should comprise:

- Chief of party
- Community forestry/natural resource management specialist
- Small and medium enterprise (SME) specialist

Recommendations

- Eliminate the expatriate staff policy specialist. Contacts with ministerial and district officials can be maintained by the chief of party, with short-term technical assistance (STTA) as specific policy needs are identified in the field.
- Eliminate the position of expatriate technical coordinator. The Albanian staff can provide many of the technical skills of this position.
- Add an expatriate community forestry/natural resource management specialist as soon as possible to support the transfer of forests to komunas, assist the chief of party with policy issues, and meet the immediate needs for assistance in Lezha District and support to field activities identified in Sections II and III, particularly those dealing with privatization. This position would replace the field technical coordinator position.
- Add a full-time expatriate SME specialist.

D2 Long-Term Local Staff

The present professional full-time local staff can implement the evaluation recommendations, including program extension, with the addition of a second livestock specialist as follows:

- Two foresters
- Two livestock specialists
- Extension/training coordinator

- Small and medium enterprise (SME) specialist
- Executive assistant/interpreter
- Office manager

The foresters and livestock specialists will need to work closely with the expatriate community forestry/natural resource management specialist to coordinate their activities in the villages and apply community building/empowerment techniques

Livestock group work is intensively field-oriented. According to the field technical coordinator, the current livestock specialist spends more time in the field than any other staff member. A second livestock specialist is needed to follow up on opportunities generated by the considerable impact of the existing groups, especially to develop and initiate new groups. The new groups will require the same amount of technical assistance as was provided to the existing groups in the first two years. The current livestock specialist should continue to work with existing groups, which will require increasingly sophisticated and time-consuming efforts as their interests and needs expand into pasture and forage management.

Recommendation

- Add a second forester

D3 Short-Term Technical Assistance

APFDP has successfully used short-term technical assistance in some activities, for example, PRA and environmental awareness, but is not fully using its STTA resources. As of September 1997, 66 percent of program time had elapsed but only 33 percent of the budget for expatriate STTA had been expended. This under use of STTA could be partly due to the ban on travel during the civil unrest, although even before the unrest, when 50 percent of program time had elapsed, only 30 percent of the budget had been expended.

STTA provides APFDP with the ability to respond to specific field needs that it cannot meet with existing staff expertise and with new ideas and a fresh perspective to strengthen existing efforts. One such need identified during the evaluation was range and forage management.

Recommendation

- Use STTA more aggressively

ANNEX A
PERSONS CONTACTED

USAID, Chemonics International, Inc , APFDP

Linda Lind, Project Officer, USAID/W, Washington, D C

Michael W Radmann, Program Officer, OAR/Albania, Tirana

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James R Seyler, Chief of Party, APFDP, Tirana

Erling M Nielsen, Field Technical Coordinator, APFDP, Tirana

Linda Nielsen, Policy Specialist, APFDP, Tirana

Entire Albanian staff of APFDP, Tirana

William E Mackie, Media Consultant, APFDP STTA, Austin, Texas

Government of Albania (Central Government and Local Government Institutions)

Kole Malaj, Director General, DGFP, MOAF, Tirana

Aleksander Mari, General Director of Agriculture MOAF Tirana

Lida Stamo, Director, Office of Legal Affairs, MOAF, Tirana

Ismail Beka, Director, Agriculture Program Office, MOAF, Tirana

Agim Kukeli Head of Restitution Commission Directorate of Land Reform, MOAF Tirana

Deliana Chairman Committee of Environmental Protection, Ministry of Health and
Environment, Tirana

Malo Hizdri, Director, Financial/Local Government Department, Ministry of Interior Tirana

Shqipe Rrumbullaku Foreign Aid Coordinator Council of Ministers of Albania Tirana

Tatjana Dishnica, Director of Research and Extension Service, MOAF, Tirana

Zhaneta Prifti, Head of the Foreign Relations Section, DGFP, MOAF, Tirana

Genci Kacorri, Head of Forest Harvesting Section, DGFP, MOAF, Tirana

Myzafer Gurra, Economic Section, DGFP, MOAF, Tirana

Non-governmental Organizations, International Donor Community, Research and Educational Institutions, Enterprises

Blerita Maliqi, Country Representative For Albania, REC, Tirana

Mihallaq Qirjo, REC, Tirana

Leke Gjikhuri, President, Preservation and Protection of Natural Environment in Albania (PPNEA), Tirana, and Member of Parliament

Arben Shehi, President, Chamber of Commerce and Industry, Tirana

Claude C Freeman, Chief of Party, International Fertilizer Development Center (IFDC), Tirana

Lisa A Tripodi, Credit/Finance Specialist, IFDC, Tirana

David Gentry, Country Director, Albanian-American Enterprise Fund, Tirana

Genci Juka, Executive Director, Albanian Development Fund, World Bank, Tirana

Haki Kola, Specialist, World Bank Forestry Project, Tirana

Kristin Giantris, Country Representative Albania, VOCA, Tirana

Mark A Marquardt, Land Tenure Center, PMU IPRS Tirana

Dean T Massey, President, Terra Institute Ltd , Wisconsin (STTA)

Rolf Fehlings, Project Coordinator, GTZ Promotion of SME Tirana

Jorg Lohmann Project Coordinator GTZ office at AUT, Tirana

Spiro Karadumi, Director, Forest and Pasture Research Institute, Tirana

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Fatbardh Sallaku, Soil Sciences Faculty AUT, Tirana

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Nehat Collahu, Forestry Faculty, AUT, Tirana

Pirro Veizi, Head of Education and Extension Faculty, AUT, Tirana

Luan Hajmo, Small Ruminant Specialist, Livestock Research Institute, Tirana

Alessandro Scappini, Director, Integrated Livestock and Veterinary Project, Cooperazione Italiana Kerkimeve Veterinary Institute, Tirana

Uran Asllani, Director, Research and Development Alb Ducros, Tirana

Luan Shahu, Director of Foreign Trade, Eurocol, Tirana

Albanian Farmers and Entrepreneurs

Five farmers at village Pucilla, Tirana District

Seven farmers at village Kallmet, Lezhe District

Twenty-six farmers at village Trashan, Lezhe District

Fourteen farmers/entrepreneurs at village Alarup, Pogradec District

Two entrepreneurs in Tirana

Three entrepreneurs at Shkodre

Eight participants of the willow/wicker workshop in Tirana

Twelve members of the Nursery Network in technical training meeting at Lezhe

ANNEX B
DOCUMENTS REVIEWED

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Ganiu A 'Meeting at Alb-Ducros Office, APFDP staff report, Tirana, September 1997

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Gani A "Survey on Small Business Activities August - October 1997", staff report, Tirana November 1997

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Guries R Bruce J , "Tenure Issues in Forest and Pasture Management a GPS/Rapid Rural Assessment Approach," draft for review, Tirana, November 1994

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**ANNEX C
FIELD TRIPS**

October 30, 1997 - Lane Krahll, Gary Naughton, Dan Wagner

Village Picall, Tirana District - refused lands, deforestation, pastures

November 3, 1997 - Gary Naughton, Dan Wagner

Tirana Botanical Garden - Peace Corps nursery, demonstration plot, APFDP training facility

November 3, 1997- Lane Krahll

Town of Pogradec - meeting with DDFS

Village Tushemisht District Pogradec - community refused land, willow demonstration plot

November 4, 1997 - Lane Krahll

Village Alarup District Pogradec - HPI goats (passing on the gift) honey producer

November 6, 1997 - Lane Krahll

Town of Lezhe - meeting with DDFS and district officials

Village Trashan, Lezha district - community meeting on forest transfer, forest regeneration demonstration plot

November 7, 1997 - Lane Krahll

Village Kallmet, Lezha District - community meeting on forest transfer

November 10, 1997 - Dan Wagner

Town of Shkodre - wicker weaving entrepreneurs, willow plot

November 10, 1997 - Gary Naughton

Village Kallmet Lezha District - demonstration plots, herb garden demonstration

November 11, 1997 - Gary Naughton, Dan Wagner

Town of Lezhe - Nursery Network meeting, forest/ornamental plant nursery

November 11, 1997 - Gary Naughton, Dan Wagner

Village Trashan - HPI pigs, village group meeting

November 13, 1997 - Gary Naughton, Dan Wagner

Town of Pogradec - meeting with DDFS, saw mill enterprise

November 13, 1997 - Gary Naughton, Dan Wagner

Village Tushemisht Pogradec District - willow plot meeting with private extension agent

November 14, 1997 - Gary Naughton, Dan Wagner

Village Alarup Pogradec District - HPI goats passing on the gift ceremony, goat pastures honey producer

ANNEX D
ALBANIA PRIVATE FORESTRY DEVELOPMENT PROGRAM
SCOPE OF WORK FOR THE MID-TERM EVALUATION

Section One Activity to be Evaluated

The Albania Private Forestry Development Program (APFDP) is a USAID-funded program of assistance to the Government of Albania (GOA) which promotes increased private and decentralized management of Albania's forest and pasture resources

| | |
|----------------------|--|
| Authorization number | EPE-C-00-95-00127-00 |
| Title | Albania Private Forestry Development Program |
| Funding | \$5,436,586 |
| Life of Project | 1 October 1995 - 30 September 1998, with optional two-year extension |

Section Two Purpose of the Evaluation

This mid-term evaluation is intended to be a formative evaluation with APFDP implementors and evaluators jointly reviewing the program's progress in achieving expected results. It is expected to both confirm and adjust the program's objectives, scope activities, implementation mechanisms and budgetary allocations. The evaluation process will review all project assumptions, implementation history, management mechanisms, technical issues and project relationships with various project participants and stakeholders. Evaluation recommendations will serve as the basis for preparation of the third-year work plan and suggest activities which might be undertaken during the optional two-year extension.

Section Three Background of the Program

A Goal and Purpose

The Albania Private Forestry Development Program is a sub-component of the Improved Public Sector Environmental Services Project (180-0039 11). The purpose of the Improved Public Sector Environmental Services Project is to improve the environmental quality in Central and Eastern Europe (CEE) and strengthen CEE governments' capacity to provide public sector environment services. The goal of the Albania Private Forestry Development Program (APFDP) sub-component is to increase Albanian rural household incomes and alleviate and ultimately reverse forest environmental degradation by encouraging and supporting development of sustainable private sector forestry management on privately owned lands and on communal forests and pastures.

B Objectives

To meet these goals, the APFDP has set the following specific objectives. These objectives determine the tasks contained in this Scope of Work (SOW). The APFDP will assist the Government of Albania (GOA) and its agencies to

and slow process than originally envisioned While the original project design had placed major emphasis on "private forestry," the restitution of forest land to private ex-owners is limited to a maximum of 100 hectares per claimant family, and claims are for pre-1946 owners only. As virtually all forests in Albania are still state-owned, this means that the percentage of forests expected to be privatized ultimately will be limited—6 percent of all forest area. Moreover, the restitution of forests to ex-owners turns out to be a very complicated undertaking, given conflicting land tenure claims and policies, claims to ownership resting on traditional law not backed up by official government documentation, and lack of a Government strategy coordinating privatization with forest conservation and tourism goals, inter alia. Government has requested that APFDP become more deeply involved with the privatization problems.

Second, since the majority of forests will remain state-owned, *the transfer of these state forests to local communities constitutes an important mechanism for decentralizing and optimizing their management*. While the Forest Act recognizes the possibility for this transfer, current forest policy provides little guidance on criteria for which lands should be transferred, the procedures for transfer, or the respective responsibilities of communities and government in the process. Equally important, local government lacks both the revenues and the operating resources to properly support community management of forests. APFDP has become closely involved in all of these issues, although the disorder of 1997 disrupted activities.

Third, the original project envisioned some APFDP assistance in improved utilization of "refused land" (farmers have declined private title to this land, a good deal of which was forest until the communist regime opened 260,000 hectares for "new agricultural land" in the mid-1960s). APFDP's involvement not only resulted in the revision of official policy, but the local level surveys by teams of APFDP-trained government officials uncovered a host of larger problems including inappropriate land classification (and related tax) systems, problems in using land designated as "agricultural" for forest or pasture, inadequate policy support for common use of forest and pasture to name a few. It became clear that *appropriate forest policy requires in turn substantially improved land administration policies*. Government appreciated APFDP support for resolution of "refused land" problems, and has solicited APFDP input into broader land administration issues.

Fourth, the original APFDP design made no special provisions for market-oriented initiatives/small scale enterprises. However, *development of decentralized and private initiatives will require assistance for small scale forestry-related businesses and markets, since these are currently weak in Albania*. APFDP changed the staffing design to include a small business specialist, and since has provided a range of training and support in this area. APFDP has chosen to focus its attention on the development of nurseries, willow weaving enterprises, Christmas tree growing and marketing, production of secondary forest products like etheric oil species, and commercial seed supply. However, two factors have emerged as major obstacles to business development in Albania: lack of business management skills and lack of transparency with regard to market information. While lack of credit can be a constraint for development of larger enterprises, some smaller businesses could develop without the help of credit institutions.

Fifth, development of an extension capacity has taken place along three tracks, one focusing on private extension, another on NGOs, and the third dealing with the establishment of a public extension service. While significant progress has been made involving private nursery operators as extension agents and strengthening the extension capacity of NGOs, *establishment of a public forestry extension service has been delayed by a lack of both commitment and consensus*.

among responsible DGFP and MOAF officials The position of the newly appointed government officials with regard to public forestry extension remains to be seen. The evaluation team should note new trends and make some suggestions regarding an APFDP strategy.

Finally, field activities are aimed at demonstrating improved forest and pasture management techniques in a market economy. Thus, they focus on the key areas of private forests and pastures, refused and non-divided agricultural lands, and transfer of state forests to komunas and villages. Field activities are also intended to provide a critical linkage between policy makers and those groups or individuals targeted for specific policies. While the GOA has stated its intent to support private sector forestry initiatives and APFDP is working with the GOA to bring about policy and institutional reforms in the sector, the process is slow. As a result, delays in the GOA addressing many of the issues noted above have, to a certain extent, hampered field activities.

The evaluation team needs to review the summary of discussions and recommendations from a variety of APFDP seminars and training events related to the above topics, conduct interviews with APFDP's key program counterparts, visit demonstration sites in the field, and assess whether APFDP is currently "on target" with these key program issues. Furthermore, the team should note whether there are any remaining programmatic issues which APFDP needs to address in the future. The team will make a presentation at the November 1997 "Strategic Planning Workshop" attended by major stakeholders, outlining the major programmatic issues in the Albanian forestry sector. This presentation will contribute to ensuing issue-oriented small group discussions in the workshop.

In addition to some of the issues raised above, the evaluation team should consider the following programmatic concerns for APFDP:

- The new World Bank-assisted Albania Forestry Project also contained major policy, institutional and field components which needed to be harmonized with the APFDP efforts. The GTZ project also has potential overlap. Are the donors' respective roles being sorted out appropriately?
- Should APFDP pursue the establishment of a "forest policy advisory group"? As some of the key issues facing forestry are larger than forestry, and since different policy issues affect very different constituencies (e.g., devolution to local government, taxation systems, agricultural and forest land restitution), would such a group be effective in dealing with such issues? What will be the role of the World Bank project's proposed Forest Council vis-a-vis any forest policy group?
- Has APFDP done everything possible toward institutionalizing extension? What are the implications for the future?
- APFDP provided for two master's degree slots although only one candidate with sufficient English could be identified in time to receive two years of funding. Subsequently, other candidates with English have been identified. If APFDP is extended, should it include provision for another master's degree slot?
- Is it still realistic to begin phasing out the policy level of effort at the end of year 2 given the continuing demand by stakeholders for assistance, and a remaining roster of key policy issues?

- Does the contract-specified requirement to have field activities in six districts make sense in the current context and given current LOE and resources?
- How can APFDP most effectively improve the utilization of private forest lands in a situation where private forests have not yet been officially transferred back to ex-owners?
- Under the current circumstances, has optimal use been made of the HPI model to promote income-generation and improved silvo-pastoral management? If not how could the HPI model shift its emphasis to better integrate improved livestock with improved silvo-pastoral management?
- Should APFDP continue its strategy of promoting improved land use practices for the refused and non-divided agricultural lands and other categories of marginal lands where land tenure - both private and communal- is still an issue?
- What changes could APFDP make in its strategy to effectively move MOAF toward the establishment of a public forestry extension service?
- Is the small business support component addressing the correct issues and is it doing it in the best possible manner? How could APFDP strengthen this component?
- How effective is APFDP's strategy with regard to the development of forestry-related associations as a complement to the development of small scale enterprises? Does the proposed APFDP collaboration with IFDC/AFADA make sense?

B Implementation Issues

As this is a formative evaluation, the team will focus in detail on proposals for future implementation of the project. Particular attention will be paid to whether changing political, economic and institutional circumstances in Albania will call for redirection of some program activities and budget allocations.

The team will evaluate all relevant project documents (RFP, Chemonics proposal, contract, first- and second-year work plans, quarterly reports, annual reports, etc.) It will describe the evolution of the program over the past two years. Changes in emphasis, direction and modes of operation will be identified, outlined and serve as points for documentation and discussion.

Pertinent evaluation questions include

- Have USAID and Chemonics responded adequately to circumstances as they have arisen in terms of implementation, or should a different approach to these issues have been considered/acted upon?
- Is Chemonics' mode of implementation in line with project philosophy, goals and objectives? Has Chemonics employed the most effective mechanisms in response to political and institutional conditions?

- Is the "results framework" now employed by Chemonics in line with prior project documentation project goals and objectives, and prevailing Albanian conditions?
- What is the validity of the program's design and implementation/results framework assumptions?
- How have recent economic and political problems affected APFDP? What new challenges and opportunities are developing in this changed context and how should program implementation address them?
- What changes, if any, should be made to project philosophy, goals, and objectives and—as a consequence—the results framework?

Additional evaluation questions include

- What progress has the program made to date in achieving intermediate results?
- What has been the appropriateness and effectiveness of interventions/activities undertaken by the program?
- Is there a need to further improve the linkage between APFDP's field and policy components, to maximize impact? If so, what are the ways in which this link could be strengthened?
- What activities and Intermediate Results have the greatest potential to yield significant local impacts and provide models for wider application?
- What activities have not achieved the anticipated Intermediate Results or could have significantly greater impact if continued beyond the current PACD into the optional two-year extension?
- What changes, if any, should be made to the specific types of activities to be undertaken?
- To what extent have gender concerns been taken into account in the design implementation and evaluation of APFDP? What changes, if any, should be made to the program's gender strategy?
- What changes if any should be made in the program's mode of operation?
- What changes if any should be made to the mechanisms employed in support of program implementation and policy development?
- In view of any suggested changes, should the contract and/or contractual budget line items be modified?

C Institutional Arrangements

C1 Relationships with Development Partners

Much of the Chemonics proposal and considerable strategic emphasis has been placed on forging and maintaining high levels of participation and partnering in the program. Attempts - ranging from strategic planning workshops to MOUs with various public, private and nongovernmental organizations- have been made to develop participation mechanisms and methodologies that build a vested interest in the program's results and supporting activities. A key issue, however, in building these partnerships is limited resources. This is particularly true for supporting a very nascent NGO effort in achieving one of the main contract deliverables - developing and implementing "an effective public/private extension network as a support service system for managers of private forest lands, and managers of village and community forests and grazing lands." The evaluation team will assess project efforts to encourage national, district and local participation from public, private and NGO stakeholders, as well as examine partnerships in support of the project.

In addition, the evaluation team will investigate the roles and review the present/future levels of support for forestry/natural resource management from other bilateral and multilateral donors. The World Bank, the European Union, the Dutch and other donors also have ongoing and/or planned programs related to forestry and natural resources. In particular, the World Bank-funded Albanian Forestry Project (AFP) is intended to directly complement APFDP activities and the evaluation team will need to assess the relationship between AFP and APFDP.

Current USAID programs in democratization, local governance, agriculture, land tenure and enterprise development all have collaborative potential in maximizing the impact of APFDP. Future natural resource activities which may come as a result of USAID's February 1997 study of rural sector development in Albania will also all have implications for APFDP. However, there is a need to coordinate communications between these programs to avoid sending mixed signals to the GOA.

Finally, Peace Corps/Albania was a major APFDP development partner. APFDP worked closely with Peace Corps staff and volunteers in supporting the development of its forestry oriented planting, management and marketing program for private land owners in Albania. The closure of the Peace Corps in March 1997 means that a significant outreach and extension capability is no longer present. The evaluation team will need to assess the past relationship between APFDP and Peace Corps and determine the extent to which closure of the Peace Corps program will have an impact on APFDP activities.

Pertinent evaluation questions include

- How well have the program's participation mechanisms served its objectives?
- Which partnerships that have been created have been most effective and should be further encouraged, and under what mechanism(s)?
- How might the program effect better working partnerships, with whom, and in what capacity?

- Has the program succeeded in identifying and engaging stakeholders at the komuna and village level, and to the best effect? How might relationships at this level be improved?
- How effective is the program in coordinating with related donor efforts, particularly the Albania Forestry Project?
- How effective is the program in coordinating with other USAID activities? How could communications, coordination and on-the-ground implementation be improved to avoid duplication of effort
- How effective was the program in collaborating with Peace Corps? What elements of the Peace Corps program should and could be assumed by APFDP given APFDP resource and staffing constraints?
- How might relationships with other donors (particularly the World Bank) and other USAID projects be developed to maximize impact of APFDP activities?
- In view of the current forestry and environmental activities of PVOs and indigenous NGOs in Albania, what are their comparative advantages for collaboration with APFDP? How do NGOs currently relate to APFDP, and how might this relationship be improved?
- What "mix" (i.e., ministerial vs district vs local) of follow-on activities (and resources) for the remaining LOP and optional two-year extension is most appropriate, and what respective roles should other organizations (public, private, NGO) take

C2 Government Linkage and Cooperative Mechanisms

The program's main counterpart agency in the GOA is the DGFP under the MOAF. However, as noted above, there is neither a "project agreement" or memorandum of understanding between USAID and the GOA under which APFDP could operate nor is there a bilateral agreement between the U.S. and the GOA covering the operation of any USAID-funded projects.

APFDP does have a Program Steering Committee (PSC) which provides guidance for the implementation of the program. The PSC is chaired by the director general of DGFP and current members include MOAF's director of agriculture, the forestry/natural resources budget officer from the Ministry of Finance, and the finance director of the State Secretariat for Local Government. While the contract specified semi-annual meetings and several responsibilities for the PSC, in reality, the PSC's role has been limited to reviewing Chemonics' benchmarks for determining program progress, and approval of annual work plans.

Pertinent evaluation questions include

- In the absence of a bilateral agreement or MOU, is the current relationship between MOAF/DGFP, OAR/A and APFDP effective in facilitating operational and administrative aspects of the program? Will it need to be modified and adjusted, and if so, how?

- What additional mechanisms, if any, are needed to ensure collaborative and coordinated implementation and oversight of the program?
- Is the PSC effective as a consultative and advisory body to the project? How might its effectiveness be enhanced?

C3 Relationship with USAID/Washington and USAID/OAR/Albania

The supervision management and communication circumstances of APFDP are more complex than is typically the case in USAID country projects. The contracting officer (CO) and the contracting officer's technical representative (COTR) are based in the United States. The COTR makes periodic trips to Albania to engage in intensive project activities: political negotiations, and provide management support. A contract specialist was in-country for several days in mid-1996 for discussions about project issues, especially formulation of a contract amendment. Chemonics home office and the APFDP program office maintain communications with USAID/Washington and OAR/Albania. The frequency, circumstances and nature of communications depend on a host of factors related to program management and aspects of strategy development and/or technical implementation.

OAR/Albania maintains an active interest in the project and has provided important support on several crucial occasions, even though it has no direct management responsibility. APFDP is included in OAR/A's results framework under Strategic Objective 1.3, "Accelerated Development and Growth of Private Businesses," and is reported under three of OAR/A's Intermediate Results.

Pertinent evaluation questions include:

- Has the present contractual relationship between Chemonics and USAID worked to the best advantage of project management and implementation?
- What USAID project management—administration, communications, budget supervision, reporting, planning formats and documents, and approval mechanisms—need improvement and/or adjustment?
 - How does the GOA view the contractual roles, responsibilities and obligations between USAID/Washington, OAR/A and Chemonics? Do they envision improvements/modifications in this relationship and if so, how?
 - What Chemonics' program oversight and management mechanisms could benefit from greater attention, adjustment or improvement?
 - How well does APFDP 'fit' with OAR/A's strategic objectives and results framework? If necessary, how could this fit be improved?

Section Five Evaluation Team Composition and Responsibilities

A The Evaluation Team

A four person team will form the core group for the evaluation exercise. The team will comprise

- 1 A policy specialist with broad ENR programmatic, institutional and policy experience. The policy specialist will work in close collaboration with APFDP staff and key stakeholders in forest policy, as well as broader policy which is integrally related with forest sector performance. He or she will
 - Review Albanian policy documents which have been translated into English as well as policy papers produced by APFDP, Land Registration Center, World Bank and other programs involved with policy issues
 - Identify key policy issues to be investigated during the mid-term review
 - Meet with key counterparts involved with policy in institutions including the Ministry of Agriculture, Ministry of Local Government, Institute for Land Studies, other donor programs (World Bank, GTZ, Land Registration Center, SARA Project), and NGOs to gather information and explore various viewpoints
 - Review the original APFDP project design, the year 1 Plan and Report, the year 2 Plan and Report, and policy research reports, and summaries of seminars and other training events, compare the evolving policy conditions in Albania with the changing policy approach of the APFDP
 - Assess APFDP's performance to date in policy areas, in view of all the above
 - Prepare presentations for the November "Strategic Planning Workshop" regarding 1) key policy issues challenging forestry development in Albania, and 2) the future comparative advantages and roles for APFDP in supporting policy initiatives, discuss these presentations with key policy counterparts and with APFDP staff in advance of the workshop
 - Review the APFDP contract regarding deployment of policy personnel, discuss future requirements for policy specialist input for the future in meetings with USAID, APFDP and key counterpart officials, recommend a strategy for deployment of policy staff for the remaining APFDP operation
 - Prepare the policy section of the mid-term evaluation team's draft report for debriefing to USAID in Tirana, contribute as necessary to completion of the team's final report
- 2 A specialist in the field of public and private forestry extension with strong natural resource training experience. The training and extension specialist will work in close collaboration with the APFDP staff and relevant program development partners. He or she will

- Review project documents relating to extension and training
 - Gather necessary information from government officials and private individuals related to program activities
 - Assess the present situation in Albania of forestry extension including the level of commitment in the various institutions of the MOAF
 - Evaluate the appropriateness of APFDP's strategy for and role in promoting public forestry extension
 - Evaluate the strategy and results in establishment of a private forestry extension
 - Evaluate APFDP's efforts in strengthening the capacity of NGOs in providing forestry extension
 - Assess the training program, its relevance, effectiveness, impact and sensitivity to gender aspects in Albania
 - Assess present level of program monitoring and provide recommendations for future monitoring efforts
 - Provide recommendations for the future orientation of and strategy for the development of a public/private extension network and program training
 - Review the APFDP contract regarding deployment of training and extension personnel, discuss future requirements in meetings with USAID APFDP and key counterpart officials, recommend a strategy for deployment of training and extension staff for the remaining APFDP operation
 - Prepare the training and extension section of the mid-term evaluation team's draft report for debriefing to USAID in Tirana, contribute as necessary to completion of the team's final report
- 3 A specialist in small business development, with experience in the agriculture/natural resource sector. The small business specialist will work in close collaboration with the APFDP staff and relevant program development partners. Specific tasks may include (but not be restricted to)
- Review project documents relating to small business development
 - gather necessary information from government officials and private individuals related to small business activities
 - Assess the approach taken by APFDP in supporting small business development and its effectiveness in pursuing this approach
 - Assess the impact of the recent civil unrest on small business development and suggest appropriate responses for APFDP

- Provide recommendations for strengthening this component
 - Review the APFDP contract regarding deployment of small business personnel discuss future requirements for small business personnel in meetings with USAID, APFDP and key counterpart officials, recommend a strategy for deployment of personnel for the remaining APFDP operation
 - Prepare the small business section of the mid-term evaluation team's draft report for debriefing to USAID in Tirana, contribute as necessary to completion of the team's final report
- 4 An Albanian forestry/natural resource specialist with a good understanding of institutional development issues in Albania, strong facilitation skills and excellent English
 - 5 An Albanian interpreter/translator

B Team Qualifications

Team members should have suitable academic qualifications in their discipline (master's or Ph D) The expatriate team members should have at least five years experience in implementing managing or assessing private/community-based forestry or natural resource programs in developing countries Preference will be given to candidates with Central and Eastern Europe experience

The evaluation team leader may be any one of the expatriate team members The team leader must have USAID evaluation and team leader experience Proven organizational and writing capability is also essential Exposure and/or training in USAID's results framework methodology would also be beneficial

Team members must be effective team workers comfortable in a multidisciplinary environment They must be physically fit to work effectively in difficult physical conditions (mountainous setting, often poor accommodations and cold in the winter) They must also be capable of long hours of travel over poor roads

All team members must be able to use a computer and produce computer generated reports

Section Six Evaluation Tasks

A Chemonics/Washington

Chemonics Washington will

- 1 Recruit and organize the evaluation team to conduct a preliminary review of this statement of work, and provide written comments to the COTR through the Chemonics Home Office with suggestions for preliminary adjustment to contents and methodology if any

- 2 Build a team that is organized around the evaluation themes, tasks and competencies, assign and organize evaluation tasks and competencies in consultation with team members
- 3 Hold preliminary briefing and information gathering meetings in Washington, D C (or by E-mail or telephone if deemed necessary) with USAID/W staff (COTR and contract staff), Chemonics home office staff, and Peace Corps as appropriate
- 4 Finalize any proposed amendments to the scope of work and submit to the COTR for approval prior to travel to Albania

B The Evaluation Team

The team will analyze and evaluate the performance of and influences upon, the contractor (home office, PMU and consultants), subcontractors (TR&D and HPI), USAID (Washington and OAR/Albania), MOAF/DGFP and other Albanian partners. This analysis will focus upon the questions and issues listed above, and on related issues which may arise as the evaluation proceeds. Where appropriate, the evaluation team will recommend strategies and mechanisms to improve the functional relationships between key project stakeholders. The team will also focus on the strengths and weaknesses of all aspects of program implementation.

Significant changes in circumstances surrounding the program in Albania have occurred during the first half on 1997 with the collapse of the pyramid schemes and resulting civil unrest and economic upheaval. As the GOA is now beginning to stabilize, time is appropriate for review of programmatic and budgetary priorities of the program. Recommendations should be clear, cogent and designed to optimize the program's impact for the remainder of the life of project, and determine the types of investments to be made beyond the current PACD into the optional two-year extension.

In this context the evaluation team will

- 1 Conduct a focused literature review of key project documents including the RFP, proposal, contract and amendments, various subcontracts and memoranda of understanding between partners, annual work plans, monthly, quarterly and annual reports, consultants strategy scoping and technical reports, relevant program memoranda, correspondence and other materials, and related donor or other USAID project documents, reports survey results and internal reviews that may be appropriate. Summarize outstanding issues pertinent to both the history of the sector in Albania, as well as the program.
- 2 Conduct a series of focus group interviews with key APFDP development partners including but not necessarily limited to
 - APFDP project staff and local consultants
 - OAR/Albania
 - MOAF/DGFP staff in Tirana and program districts

- Partner GOA organizations in Tirana including MOAF's Directorates of Legal Affairs and Land Restitution the Agriculture University of Tirana, Forestry and Pastures Research Institute, Forage Research Institute, the Botanical Garden and the State Secretariat for Local Government
 - Partner NGO organizations including the Regional Environmental Center and the Scientific Forestry Students Association
 - Partner private sector organizations
 - Related donor representatives and donor project staff
- 3 Travel authorization permitting, conduct a minimum of two field trips to program supported districts with appropriate focus group and individual discussions with district forest, livestock and agricultural offices, local government officials, local NGOs, municipalities, and private sector representatives
 - 4 Identify and prioritize complementary donor support and interest for the sector
 - 5 Analyze findings in relationship to the issues and questions presented in the previous section, and to others which may arise Provide APFDP, OAR/A and MOAF/DGFP program members with weekly debriefings as necessary
 - 6 Develop and review, in consultation with the main partners involved, recommendations for the future conduct of the program in light of the team's findings
 - 7 Prepare and arrange for circulation and comment a draft final report documenting project history related to major issues, findings, conclusions and recommendations, prior to departure from Albania
 - 8 Provide a preliminary review of findings, conclusions and recommendations with key stakeholders in a workshop setting
 - 9 Finalize the report in light of comments received

Section Seven Expected Outputs

- Draft outline of the categories and topics to be addressed in the evaluation report one week after commencing the evaluation exercise
- Preliminary briefing of findings conclusions and recommendations for USAID and Chemonics/APFDP three weeks after arriving in Albania
- Presentation of findings, conclusions and recommendations to key stakeholders in a workshop-setting, four weeks after arriving in Albania
- Draft report of findings conclusions and recommendations submitted to the APFDP COP prior to the team's departure from Albania

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- Final report incorporating comments and feedback from the field, Chemonics Home Office and USAID submitted to Chemonics Home Office no later than 15 days of the evaluation's completion

Section Eight Reporting Requirements

The format of the evaluation report will follow USAID and contractual guidelines and will include an executive summary with recommendations and lessons learned (with local district and national relevance), a table of contents, the body of the report, and appropriate appendices (e g , results framework, evaluation scope of work, contact list, bibliography, etc)

The evaluation team will specify conclusions based on the findings of the study and prepare a set of recommendations for assuring the sustainability of program results These recommendations will serve as the basis for preparation of the third-year work plan as well as guidance for activities to be undertaken during the optional two-year extension of the program The report will be written jointly by the evaluation team under the coordination of the team leader who will be responsible for organizing and delivering expected outputs

The OAR/A and APFDP approved draft report (with 15 hard copies and one WordPerfect 6 2 version) of the evaluation is due prior to the team's departure from Albania The final version incorporating comments and feedback from the field, Chemonics Home Office and USAID will submitted to Chemonics Home Office no later than 15 days after the evaluation's completion (two hard copies and one WordPerfect 5 2 version)

Section Nine Evaluation Administration

Chemonics/Albania will provide all administrative, logistical and communications support required by the team during their stay in-country

Chemonics/Home Office will organize all international travel, payments, travel advances, Washington, D C meetings and arrange for the reproduction of all pertinent project documentation

Section Ten Level of Effort

| | |
|---|---------------|
| Policy- institutional specialist | (24 workdays) |
| Forestry extension/training specialist | (24 workdays) |
| Small business development specialist | (24 workdays) |
| Albanian forestry/natural resource specialist | (24 workdays) |
| Albanian interpreter/translator | (24 workdays) |

LOE is based on a six day work week and excludes international travel days

Section Eleven Timetable

The evaluation team should arrive in Tirana on or around the weekend of October 25 1997 and leave on or around the weekend of November 22, 1997